

**CITY OF YONKERS,
NEW YORK**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**Fiscal Year Ended
June 30, 2014**

**Prepared by the
Office of Finance and Management
Services**

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STATISTICAL SECTION (Unaudited)
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This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information reveals about the City's overall financial health.

This section includes the following schedules

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**INTRODUCTORY
SECTION**

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THE CITY OF YONKERS GOVERNMENT

EXECUTIVE BRANCH

**MIKE SPANO
MAYOR**

LEGISLATIVE BRANCH

CITY COUNCIL MEMBERS

LIAM J. McLAUGHLIN, City Council President

**JOHN LARKIN, Majority Leader
CHRISTOPHER JOHNSON
CORAZON PINEDA**

**MICHAEL SABATINO, Minority Leader
DENNIS SHEPHERD
MIKE BREEN**

ADMINISTRATIVE OFFICERS

**SUSAN GERRY
First Deputy Mayor**

**STEVE LEVY
Second Deputy Mayor**

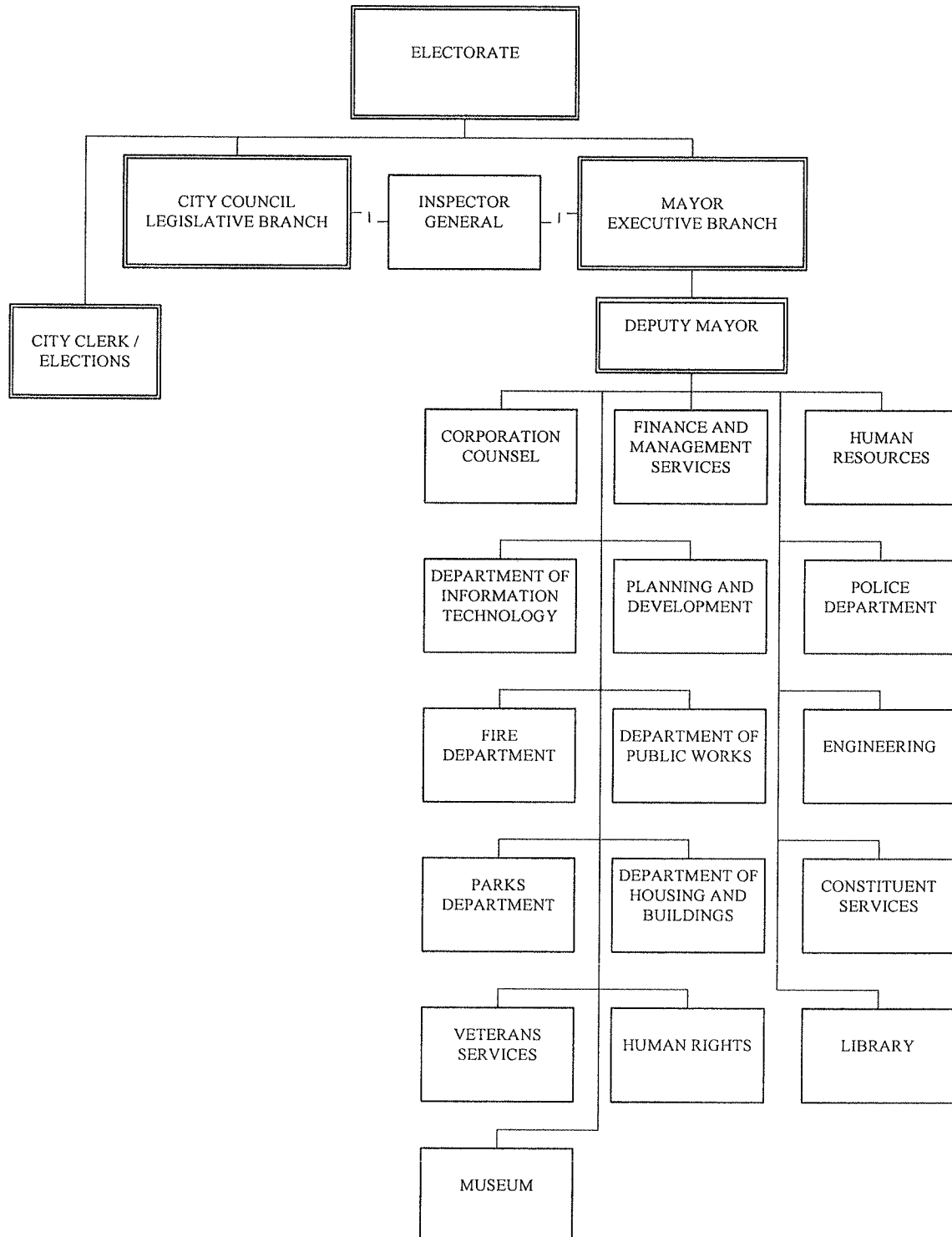
**DENISE EGIZIACO
Chief of Staff**

**JOHN LISZEWSKI
Commissioner of Finance and Management Services**

**MICHAEL CURTI
Corporation Counsel**

City of Yonkers

Organizational Chart





Mayor Mike Spano

CITY OF YONKERS

John A. Liszewski
Commissioner of Finance

DEPARTMENT OF FINANCE AND MANAGEMENT SERVICES

One Larkin Center

Third Floor
Yonkers, NY 10701

Tel. 914.377.6168

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January 30, 2015

To the Honorable Mayor,
Members of the City Council and
Citizens of the City of Yonkers, New York

The Comprehensive Annual Financial Report ("CAFR") for the City of Yonkers, New York ("City") for the fiscal year ended June 30, 2014 is herewith submitted. The New York State Comptroller's Office and Section C4 - 9 of the City Charter requires the City to submit an annual report of the financial records and transactions presented in conformity with generally accepted accounting principles ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This CAFR is issued pursuant to these requirements.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient, reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal control should not outweigh their benefits, the City's comprehensive framework of internal control has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. Management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by O'Connor Davies, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2014 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City's basic financial statements for the fiscal year ended June 30, 2014 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report. The financial section includes a narrative introduction, overview and analysis of the June 30, 2014 financial statements to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditor.

PROFILE OF THE CITY

The City was incorporated in 1872. As provided by the New York State Constitution, the City operates pursuant to the City Charter, adopted in 1961 and subsequently amended. The City also operates in accordance with other State laws including General City Law, General Municipal Law and Local Finance Law, to the extent that such laws are applicable to a City operating under a charter form of government. The City also operates in accordance with the Special Local Finance and Budget Act of 1976 ("Act") for the City of Yonkers, New York.

The City is Westchester County's largest municipality, with a population of 199,766 according to the latest estimate. Ranking as the fourth largest city in New York State in terms of the number of residents, it covers an area of 18.3 square miles including more than four miles of prime waterfront land along the eastern shore of the majestic Hudson River. The downtown and central-city areas are built on rising terrain sweeping back from the Hudson River, an unrivaled geographic position in terms of natural beauty and accessibility to the pleasures and amenities that only a riverfront location can provide.

The City operates under a Mayor-Council form of government. The Mayor is elected for a four year term and is designated by the Charter to be the chief executive officer. The City Council President is elected City-wide for a four year term and the six City Council members are elected from single member districts for four year terms. All City elected officials are limited to eight years of consecutive service in the same position. The legislative power is vested in the City Council. The City Council President presides over the deliberations of the City Council. The main responsibilities of the City Council are to adopt the annual budget, levy taxes and authorize indebtedness.

The City is responsible for and maintains police, fire, sanitation, water services, streets, parks and playgrounds. Although it is also, in large measure, responsible for the financing of local primary and secondary educational expenditures, the Board of Education, comprised of members appointed by the Mayor, administers the City's school system. As a result of an overestimation of state aid in the aggregate amount of \$55 million by the Board of Education, the State enacted legislation in connection with the adoption of the State budget on or about April 1, 2014 entitled Chapter 55 of the Laws of 2014 known as the "Yonkers City School District Deficit Financing Act". This legislation from the State required the City and the Board of Education to enter into an inter-municipal agreement, which provides for the City to impose specific financial, operational and/or supervisory control over the Board of Education, effective June 30, 2014. Pursuant to State law, the County of Westchester, not the City, is responsible for the local funding of mandated social service programs such as Medicaid, Family Assistance and Safety Net programs. The City is financially accountable for the Yonkers Downtown Waterfront Development Corporation ("Corporation"), the Yonkers Economic Development Corporation ("YEDC"), the New Main Street Development Corporation ("NMSDC") and the Yonkers Pier Development, Inc. ("YPDI"), legally separate entities, which are reported as discretely presented component units within the City's basic financial statements. Additional information on the component units can be found in Note 1, A in the notes to financial statements.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

Just thirty minutes from midtown Manhattan, the City is blessed with numerous distinctive residential neighborhoods, both urban and suburban in character. The City is known for its diverse and highly skilled labor force, its splendid public resources and gardens, stately historic sites and public buildings, more than 100 parks and playgrounds, elementary and higher-educational facilities closely geared to the population's evolving needs, transportation and highway networks that speed connections to the New York Metropolitan Area and beyond – plus an array of ultra-modern shopping centers and retail facilities that form a core part of the City's economy.

The City is served by two private, not-for-profit hospitals and medical-care centers, all of which have long-established reputations for technological excellence and advanced treatment. All these elements and more – the “mix” that makes the City so unique and inviting to new development and initiatives – are manifestations of the City's underlying and ever-growing strength as a flourishing business, commercial, and manufacturing center.

The City's metropolitan area has an abundance of well located development sites for large scale corporate and business projects and for a wide diversity of “human scale projects” (entertainment, dining, cultural and arts activities and more). The latter are expected to attract constituencies made up of local families and business groups as well as those from surrounding areas. The prime development sites are readily accessible through the City's impressive network of transportation and highway facilities. The goal for revitalization of these areas is this: by creating a “new” multi-faceted Yonkers, the City is destined to become a magnet for commercial activity.

The City is taking a strategic approach in moving toward its net milestones of growth. There are two distinct, but interrelated, parts to the plan. First, the City has dedicated itself to attracting specific categories of business, highly specialized technology firms (those servicing the internet and biotech industries, for example); service and professional groups, and light manufacturing or industrial companies, seeking to expand and/or relocate in an area that is literally minutes from the nation's largest marketplace. Second, it is also focusing on the need to foster opportunities for carefully planned and responsible development of residential housing, mixed-use projects, as well as recreational, entertainment, and hotel/conference-center facilities.

Completed Economic Development Projects

Construction is now completed on the following projects:

- IAC Search, a high-tech internet company, completed renovations and relocated 160 employees into iPark from White Plains, New York.
- Contrafact, a bio-technology company headquartered in Yonkers since 2008, went public and added both jobs and office space at iPark.
- MetroAdvertising relocated from New York City to iPark, creating 35 new jobs and taking 25,000 square feet in office space.
- The State University of New York's Fashion Institute of Technology took two floors of iPark for a

“pop-up” art gallery as part of the inaugural Yonkers Arts Weekend (“YAW”).

- World-renowned architect and art collectors Maya Lin and her husband Daniel Wolf purchased the former Yonkers City Jail on the Yonkers waterfront to convert into art studio and art storage space.
- Pattern and decoration movement founder Robert Zakanitch purchased the McVicker’s building to turn into a live-work art studio and gallery, relocating from Brooklyn, New York.
- Civil rights artist David Hammons, whose works are in the permanent collection of New York’s Museum of Modern Art, relocated from New York City to an industrial space that will serve as a live-work artist studio and gallery in southwest Yonkers.
- Sarah Lawrence College has expanded into the Beczak Environmental Center, creating the Center for the Urban River.
- 50-52 Main Street was purchased and renovated by a private developer into 12 residential units and 2 commercial units of live-work space.
- The YONY tech initiative kicked off, creating a speaking series featuring among others: Joey Levin, Seth Godin, Tony Schwartz and David Simon.
- 5-7 Main Street was converted from a former City library to 22 residential units and one commercial unit.
- 24 Warburton Avenue was demolished to create a connection between Phase I of the “daylighted” Saw Mill River at Van der Donck Park and Phase II of the “daylighted” Saw Mill River at the Mill Street Courtyard.
- The entire block of run-down one story commercial buildings from Ann Street to Nepperhan Avenue on New Main Street was demolished to make a park and complete Phase III of the “daylighting” of the Saw Mill River.
- 45 South Broadway was purchased by a private developer, who has renovated the building for a mixed use of residential and commercial space.
- The City issued a successful request for proposal (“RFP”) for a property located at 10 St. Casimir Avenue, identifying an MWBE purchaser who will relocate 70 manufacturing jobs from New York City.
- 498 Nepperhan Avenue was purchased by Oz Moving, which relocated its jobs and business from New York City.
- 470 Nepperhan Avenue was taken by the City for unpaid back taxes in order to sell or repurpose for its own use the 100,000 square foot industrial space.
- Wine in Due Time, Nahmias Etfils Distillery, Fast Linen and In2green are all women-owned businesses who have recently opened in Yonkers.

- Boyce Thompson Institute was successfully RFP'd by the City and will be adaptively re-used as a medical office and retail space in the South Westchester Executive Park.
- Alder Manor was sold to a developer who plans to renovate the estate for corporate retreats, destination weddings and movie and still photography shoots.
- The former "Polish" Conference Center was closed, renovated and re-opened as Castle Royale, a convention center and restaurant.
- Dreamworks' "DreamPlace North Pole Adventure" opened in Ridge Hill, the first in the country.
- Two new stores have opened at Ridge Hill including but not limited to: Bark 'N' Bones and Wine Zetta.
- 160 Warburton Avenue, the Dorado, was refinanced as affordable housing, a complete energy-saving and ADA compliant renovation will be completed by the developer.

Long-Term Financial Planning

The City's future projects include the following:

- Collins III – Hudson Park North will be a luxury rental apartment building consisting of 294 one and two bedroom units, the majority of which have views of the Hudson River and Palisades or New York City. Project planning approvals are all in place and applicant is working on a building permit.
- Cross County Shopping Center has started the construction for the conversion of a dilapidated, eight-story office building into a hotel with a capacity of 150 rooms. It was spearheaded by the City's Industrial Development Agency and, upon its completion, will bring needed lodging accommodations to the southern Yonkers area.
- The City will auction off 70 Pier Street for medium density housing.
- The City will swap multiple empty lots in the downtown with the developer who owns 1104 Warburton Avenue in order to create a park that abuts the Old Croton Aqueduct with views of the Hudson River.
- Mills Street Courtyard – Phase II of the daylighting of the Saw Mill River will be completed with public art, a through vehicular and pedestrian bridge and an open public piazza.
- The Municipal Housing Authority will close on 170, 172, and 178 Warburton Avenue to create more affordable housing in addition to the recent closing of 188 Warburton Avenue.
- Rising Development-Mill Street is the conversion of occupied and vacant buildings south of the daylighting project area into mixed use residential and commercial development. Approximately

223 residential units, 38,184 square feet of retail, 78,009 square feet of office space and 229,469 square feet of a mechanized parking garage.

- RXR, in collaboration with the Rising Development-Nepperhan Street, will be demolishing an entire city block in order to build 480 residential units with on-site parking and supportive commercial and retail space.
- New construction is starting on 353 residential units at the River Tides apartment project on northern Warburton Avenue.
- The planned \$200 million rehabilitation of the former Glenwood Power Station into a destination place, with a hotel, conference center, spa and variety of restaurants.
- Austin Avenue – Targeted development for approximately 300,000 square feet of mixed use.
- The Longfellow School will, after 40 years of abandonment, be demolished to make way for a 70 unit residential affordable housing development.
- Redevelopment of the former Public School 6, to construct two residential buildings on the site, consisting of 50 senior units and 70 family units for those earning between 30-60% of area median income began April 2013.
- The H & I Site on the Hudson River between the Schrimshaw House and the American Sugar Refinery will be developed into approximately 350 luxury residences and support commercial and retail space.
- The Altman Site on Alexander Street will be developed into approximately 700 residential units with supportive commercial and retail space.
- Ridge Hill will open 6 new stores including but not limited to: The Container Store, Starbucks, 5 Napkin Burger, Hand and Stone Spa, Muse Paintbar and the Poll Brothers' Angelo's Restaurant.
- iFly, an indoor sky-diving experience, will be opening in Ridge Hill.
- The MetLife building on Palmer Road will open 38 residential units within walking distance of downtown Bronxville.
- The State University of New York's Fashion Institute of Technology will be opening a permanent gallery at 20 Warburton Avenue across the daylighting and new RXR development on Nepperhan Street.
- The Norwich Marriott will complete it's new hotel in the Southern Westchester Executive Park ("SWEP").
- The Cintas Corporation will open a \$25 million regional services facility serving 30,000 people out of 60,000 Square feet and creating 160 jobs.
- Elizabeth Seton Pediatric Center in the SWEP will expand, adding 40 beds.

- FedEx will open a distribution center on Tuckahoe Road in the former Mark Buick site.
- The Hampton Inn will open at 555 Tuckahoe Road, adjacent to the POP Displays corporate headquarters.

Relevant Financial Policies

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Certain elements of the City's budget process are prescribed under guidelines within the Special Local Finance and Budget Act of 1976 ("Act") for the City of Yonkers, New York. This Act was enacted and designed to prohibit the recurrence of practices that created fiscal conditions that precluded the City access to financial markets. The most significant financial components of the Act require 1) that budgeted operating expenditures be limited to amounts not less than those of the previous audited year and requires revenues to be estimated at not more than those of the previous audited year, unless justification documents have been filed with the State Comptroller for support, 2) that any deficits from the previous year be budgeted, 3) a provision for uncollected taxes be budgeted by a set formula, 4) that the amount of fund balance that can be appropriated for use can be no more than the amount certified by the last completed independent audit and 5) that a separate fund be established to service the City's debt obligations and that a fixed percentage of the real property tax levy and a fixed portion of sales tax monies be deposited directly to ensure sufficient funds be available to satisfy bondholders. The City Charter and the Act require the budget to be presented to the City Council by April 15th. The City Council may alter, reject, add, increase or decrease any item in the proposed budget. The City Council will hold public hearings in May, and by Charter, adopts the budget no later than June 1st. The operating budget requires a simple majority (4 votes) for approval while the capital budget requires a super majority (5 votes). The Fiscal Agent, which is the State Comptroller, reviews the operating and capital budgets after adoption by the City Council, and certifies that the budget is in compliance with the Act.

The City prepared its 2013-14 operating and capital budgets in accordance with the guidelines prescribed by the Act and the Fiscal Agent certified the City's budget. The City does not foresee any issues with its ability to comply with the guidelines in the implementation of its near and long term initiatives.

AWARDS AND ACKNOWLEDGMENTS

GFOA - Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2013. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

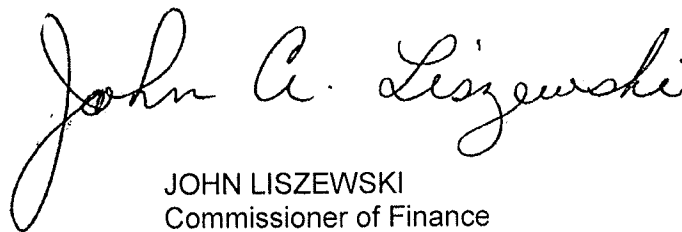
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

I would like to thank all the accounting and financial personnel who have assisted in the preparation of this report. In particular, I want to thank Elizabeth Janocha, Deputy Commissioner, Maria Tavares, Director of Accounting, Melvina Carter, Assistant Director of Fiscal Services, Patrick Luzzi, Chief Accountant, Desmond Barnett, Accountant III and the entire Finance Department for their efforts, as well as our independent auditor who assisted in its preparation. I would also like to thank the Mayor and the City Council for their interest and support in the financial operations of the City.

Respectfully submitted,

A handwritten signature in black ink, reading "John A. Liszewski". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

JOHN LISZEWSKI
Commissioner of Finance
and Management Services

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Government Finance Officers Association

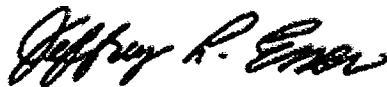
**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Yonkers
New York**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013



Executive Director/CEO

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**FINANCIAL
SECTION**

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Independent Auditors' Report

**The Honorable Mayor and City Council
of the City of Yonkers, New York**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Yonkers, New York ("City") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City as of June 30, 2014 and the respective changes in financial position, thereof, and the respective budgetary comparison for the General, Education and Education Special Aid funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

O'CONNOR DAVIES, LLP

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Schedule of Funding Progress – Other Post Employment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2015 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

January 28, 2015

City of Yonkers, New York

Management's Discussion and Analysis (MD&A) June 30, 2014

Introduction

As management of the City of Yonkers, New York ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2014. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the City's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2014 are as follows:

- On the government-wide financial statements, the liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$751.2 million (net position). Of this amount, the unrestricted portion is a deficit of \$952.3 million. This deficit results primarily from the accrual of certain operating liabilities pursuant to Governmental Accounting Standards Board ("GASB") Statement No. 34. The liabilities will be satisfied in future years, including borrowings for judgments and claims, retirement system obligations, compensated absences and the accrual of the City's annual other post employment benefit cost ("OPEB") in accordance with the provisions of GASB Statement No. 45.
- The City's total net position decreased by \$162 million, from a deficit of \$589.2 million to a deficit of \$751.2 million, from the fiscal year ended June 30, 2013. The total decrease in net position resulted primarily from the increase of \$118.5 million in the accrual for the City's other post employment benefit obligation in accordance with the requirements of GASB Statement No. 45.
- As of the close of the current fiscal year, the City's governmental fund financial statements reported a combined ending fund balance of \$102.6 million, a decrease of \$73.1 million in comparison with the prior year. However, exclusive of the Capital Projects funds, the combined ending fund balances decreased by \$31.7 million to \$49.7 million. Of this latter amount, \$74 million represents the total fund balance of the General Fund, of which \$37.5 million is unassigned and available for spending at the City's discretion. However, the Education Fund reflects a total fund deficit of \$37.4 million. Furthermore, when Education Fund purchases on order (encumbrances) of \$2.3 million and advances to the Education Special Aid Fund of \$1 million reported as non spendable fund balance are factored in, the true unassigned deficit of the Education Fund is actually \$40.7 million. This is a direct result of the cumulative effect of the overestimation of State aid in the aggregate amount of \$55 million by the Board of Education in its 2012/13 and 2013/14 adopted budgets. At the end of the current fiscal year, unassigned fund balance for the General Fund of \$37.5 million represented 6% of total General Fund expenditures and other financing uses.

- As a result of the budgeting error and state aid overestimation noted above, the City requested assistance from the State. In response, the State enacted special legislation known as the "Yonkers City School District Deficit Financing Act". One of the key provisions of the legislation authorizes the City to issue bonds by March 31, 2015 in the principal amount of not to exceed \$45 million to liquidate the June 30, 2014 State certified Education Fund deficit. The legislation also provided a one-time grant of \$28 million to reduce the projected 2014/15 operating deficit. In order to receive this funding, the City and the School District were required to enter into an intermunicipal agreement ("IMA"), which was executed on June 10, 2014 and became effective June 30, 2014. The IMA 1) requires the City to assume all School District finance and budget functions, 2) to consult on all labor contracts, 3) to supervise non-academic operational functions of the School District, 4) authorizes the City to create, abolish, maintain and consolidate all positions in the non-academic operational functions of the School District and 5) for the City to implement a schedule of quarterly public hearings on the School District's budget.
- The City retired \$43.7 million of general obligation bonded debt . No new bonded debt was issued during the 2013/14 fiscal year. However, the City issued \$8.4 million of energy performance contract debt during the fiscal year ended June 30, 2014 for energy efficient street light improvements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers of the City's financial statements with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information reflecting how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (for example, uncollected taxes, earned but unused vacation leave, early retirement incentives and OPEB).

The government-wide financial statements present the functions of the City that are primarily supported by taxes and intergovernmental revenues. The governmental activities of the City include general government support, education, public safety, transportation, culture and recreation, home and community services and interest.

The government-wide financial statements include not only the City itself (the *primary government*) but also the Yonkers Downtown Waterfront Development Corporation, the Yonkers Economic Development Corporation, the New Main Street Development Corporation and the Yonkers Pier Development, Incorporated for which the City is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on the pages immediately following this section as the first three pages of the basic financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the City are divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Education Fund, Education Special Aid Fund, Community Development Fund, City Capital Projects Fund and Education Capital Projects Fund, which are considered to be major funds. Data for the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriation budget for its General Fund, Education Fund and Education Special Aid Fund, which are major funds. A budgetary comparison statement has been provided for these funds within the basic financial statements to demonstrate compliance with the respective budgets. The City also adopts an annual appropriation budget for the Sewer, Water, Public Library, School Lunch, City Grants and Debt Service funds, which are non-major funds.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The City maintains only one type of fiduciary fund that is known as an agency fund. Resources are held in this fund by the City purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individual, organization or government.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statements section of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements are located following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to financial statements. These include the required supplementary information for the City's OPEB obligations, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$751.2 million at the close of the current fiscal year.

Net Position

	June 30,	
	2014	2013 (1)
Current Assets	\$ 325,271,307	\$ 413,937,269
Capital Assets, net	605,773,756	581,652,909
Total Assets	<u>931,045,063</u>	<u>995,590,178</u>
Deferred Outflows of Resources	<u>4,298,519</u>	<u>4,778,607</u>
Current Liabilities	206,196,205	222,755,550
Long-term Liabilities	1,476,255,174	1,366,826,260
Total Liabilities	<u>1,682,451,379</u>	<u>1,589,581,810</u>
Deferred Inflows of Resources	<u>4,142,140</u>	<u>-</u>
Net Position		
Net investment in capital assets	185,485,893	169,689,871
Restricted	15,582,841	12,781,517
Unrestricted	<u>(952,318,671)</u>	<u>(771,684,413)</u>
Total Net Position	<u>\$ (751,249,937)</u>	<u>\$ (589,213,025)</u>

(1) As restated for the effects of GASB Statement No. 65.

One component of the City's net position is its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the citizens and consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Those assets subject to external restrictions are \$15.6 million. The remaining balance of net position, unrestricted net position, is a deficit of \$952.3 million. This deficit must be financed from future operations. This deficit does not mean that the City does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments, including retirement incentives (\$75.4 million), claims payable (\$78.4 million), state loans payable (\$3.2 million), energy performance contract payable (\$8.4 million), compensated absences (\$43.8 million) and OPEB obligations (\$749.7 million) that are greater than currently available resources. Payments for these liabilities will be budgeted in the years that the actual payments will be made.

Changes in Net Position

	June 30,	
	2014	2013
REVENUES		
Program Revenues		
Charges for Services	\$ 67,316,919	\$ 64,530,586
Operating Grants and Contributions	91,087,054	98,127,740
Capital Grants and Contributions	165,268	1,088,882
General Revenues		
Real Property Taxes	302,493,214	300,323,045
Other Tax Items	78,870,430	75,579,609
Non-Property Taxes	125,049,902	120,189,039
Forfeitures	975	6,750
Unrestricted Use of Money and Property	127,257	224,682
Sale of Property and Compensation for Loss	1,302,671	258,202
Unrestricted State Aid	333,252,133	328,309,196
Unrestricted Federal Aid	-	20,804
Gain on Sale of Real Property	807,193	-
Insurance Recoveries	1,227,935	-
Miscellaneous	8,333,450	8,401,443
	<u>1,010,034,401</u>	<u>997,059,978</u>
PROGRAM EXPENSES		
General Government Support	107,100,494	96,698,090
Education	647,422,656	604,723,981
Public Safety	275,001,739	277,342,296
Transportation	6,172,307	2,554,540
Culture and Recreation	28,498,545	28,174,200
Home and Community Services	86,636,459	86,846,243
Interest	21,239,113	20,408,530
	<u>1,172,071,313</u>	<u>1,116,747,880</u>
Total Expenses		
	<u>1,172,071,313</u>	<u>1,116,747,880</u>
Change in Net Position	(162,036,912)	(119,687,902)
NET POSITION		
Net Position - Beginning	<u>(589,213,025)</u>	<u>(469,525,123)</u>
Net Position - Ending	<u><u>\$ (751,249,937)</u></u>	<u><u>\$ (589,213,025)</u></u>

Governmental activities decreased the City's net position by \$162 million. The City's total governmental activities revenues were \$1 billion for the year ended June 30, 2014, an increase of \$13 million, or 1.29%, over the prior year. Real property taxes comprised 30%, while unrestricted State aid provided 33% of these total revenues. Governmental activities expenses of the City for the year ended June 30, 2014 totaled \$1.2 billion, an increase of \$55.3 million, or 4.7%, over the prior year. Education expenses accounted for the largest portion (\$647.4 million or 55%), followed by public safety spending at \$275 million, or 23% of total expenses.

The major changes are as follows:

Revenues:

- Revenues from other tax items increased by \$3.3 million. This was primarily attributable to increases in gain on sale of tax acquired property, payments in lieu of taxes, and real estate transfer taxes, partially offset by a reduction in interest and penalties on real property taxes.
- Revenues from non-property tax items increased by \$4.9 million. The revenues derived from the income tax surcharge increased by \$1.4 million. There was also a \$2.1 million increase in sales tax collections, due to positive economic trends.
- Revenues from unrestricted State aid increased by \$4.9 million, primarily related to an increase in State aid available to the Yonkers Public Schools.
- Revenues from operating grants and contributions decreased by \$7 million, primarily due to one time energy efficiency grants and Hurricane Sandy aid received in the prior fiscal year.

Expenses:

- General government support expenses increased by \$10.4 million, primarily due to a significant increase in tax certiorari settlements during the current fiscal year.
- Education expenses increased by \$42.7 million, or 6.6%, from the prior year. This was primarily due to a \$1.5 million increase in general support expenses. Total instructional costs also increased by \$14.9 million, of which \$7.4 million related to salary increases. Transportation costs increased by \$.5 million, while employee benefits grew by approximately \$20 million, primarily from increases in OPEB obligations of \$5 million and retirement obligations that were amortized in the amount of approximately \$6 million.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Fund Balance Reporting

GASB issued Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements for the City's fiscal period ending June 30, 2011. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

Nonspendable – consists of assets that either are inherently nonspendable in the current period because of their form or because they must be maintained intact, including

prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$102.6 million, a decrease of \$73.1 million in comparison with the prior year. Exclusive of the Capital Projects Funds, the combined fund balances totaled \$49.7 million. Of this amount, \$7.4 million is in nonspendable form (\$3.6 million related to cash advances not anticipated to be repaid within one year, \$3.5 million related to long-term receivables, \$.14 million for inventories, \$.12 million for prepaid expenditures, and \$.01 million for notes receivable) while \$2.5 million is restricted for various purposes (\$1.7 million for debt service and \$.89 million for special purposes). The assigned fund balance of \$41 million is being utilized to 1) fund purchases (encumbrances) aggregating \$2.2 million for City purposes, 2) balance the subsequent year's budget (\$31 million for the General Fund and \$.64 million for the Water Fund) and 3) set aside funds for various specific purposes (\$3.1 million for community development, \$.58 million for public library purposes, and \$3.6 million for water purposes). The remainder of the total fund balance classified as unassigned reflects a net deficit of \$1.4 million and represents the positive unassigned fund balance in the General Fund of \$37.5 million, which is available for use at the City's discretion, offset by deficit balances in the Education Fund of \$38.5 million and non-major governmental funds of \$410,000.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the General Fund was \$74.1 million. Of this amount, \$3.5 million is in nonspendable form and includes a balance of \$2.6 million originally advanced to the Community Development Fund in fiscal year 2013. In addition, \$30.9 million is assigned for use in balancing the fiscal year 2014-2015 budget, while \$2.1 million is assigned to satisfy purchases on order at the end of the fiscal year. The remaining balance of \$37.5 million is available for use at the City's discretion. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 5.8% of total General Fund expenditures and other financing uses (up from 4.9% in the prior year), while total fund balance represents 11.41% of that same amount (up from 8.53% in the prior year).

When the fiscal 2013-14 General Fund budget was adopted, it anticipated the use of \$17 million in fund balance. This amount, coupled with \$1.8 million in encumbrances rolled over from the prior year, resulted in a total of \$18.8 million planned for use in balancing both the original and final 2013-14 operating budget. However, actual results yielded an increase in total fund balance of \$19.2 million. The increase in fund balance was primarily derived from better than expected revenues associated with the refund of prior year expenditures, the sale of property, prior year tax payments, real estate transfer taxes and revenues from parking violations and the courts. The City also expended less than anticipated, including savings versus the budget for payments into the retirement system, payments for employee health benefits, and uncollected taxes coming in less than anticipated, as well as departmental operating savings, mainly in the functional areas of public works, fiscal services, management information services and human resources.

The most significant special revenue fund of the City is the Education Fund. During fiscal year 2014, the City contributed \$228 million to the Education Fund. The major revenue source within the Education Fund, besides the City's contribution, was State aid, which amounted to \$240.6 million. The Education Fund expenditures and transfers out totaled \$524.4 million. The fund balance in the Education Fund was decreased by \$52.1 million during the current fiscal year. This was primarily the result of both the planned use of \$30.4 million of previously accumulated fund balance in balancing the 2013/14 spending plan and a shortfall of \$28 million in planned state aid as a result of the School District's overestimation of spin-up aid. At the end of the current fiscal year, the total fund deficit of the Education Fund was \$37.4 million. However, when Education Fund purchases on order (encumbrances) of \$2.3 million and advances to the Education Special Aid Fund of \$1 million reported as nonspendable fund balance are factored in, the true unassigned deficit of the Education Fund is actually \$40.7 million. Further information for the Yonkers Public Schools can be obtained in the separately issued audited financial statements.

The City and Education Capital Projects funds reflected a decrease in fund balance of \$41.4 million from the prior year, bringing the aggregate fund balances down to \$52.9 million. Total capital outlay expenditures were \$51.2 million, spent on school construction projects, various infrastructure improvements and equipment to support the City's various functions. This level of capital outlay is more than in the prior fiscal year.

General Fund Budgetary Highlights

The Special Local Finance and Budget Act of 1976 for the City prohibits any amendments to the General Fund budget (other than budget transfers), except in the case of authorized debt issuances or subsequent changes in State aid allocated to the City. Actual revenues and other financing sources exceeded the final budgetary expectations by \$24.3 million. Actual expenditures and other financing uses were \$13.7 million less than the final budget.

Overall, General Fund expenditures were \$368.7 million (excluding other financing uses), which was \$13.9 million less than the final budget. There were budgetary savings, as well as several overages, noted in various areas:

- In the general government support area, overall savings of \$7.3 million were achieved. Savings compared to budget of \$2.3 million were realized in the reserve for uncollected taxes expenditure, as the collection of property taxes improved.
- Public safety expenditures exceeded budgetary authorization by \$1.1 million, as a result of the unbudgeted raises starting in December 2013 due to the contract settlement with the Yonkers Police Benevolent Association.
- Transportation expenditures exceeded budgetary expectations by \$.86 million, due to a harsh winter that resulted in additional purchases of salt and sand upon depletion of existing reserves.
- Home and community services expenditures came in \$1.1 million less than budgetary expectations, with savings achieved in the area of refuse disposal.
- Employee benefits came in \$6.4 million less than budgetary expectations. Most of these savings were realized in less than anticipated payment contributions to the NYS retirement system, and well as reduced costs for employee health insurance resulting from smaller than expected provider rate increases.
- Interest expenditures on short-term borrowings generated savings of \$.89 million due to successful efforts to borrow more efficiently and minimize costs during the fiscal year.

The General Fund revenues were \$660 million (excluding other financing sources), which was \$24.3 million more than the final budget due to the following reasons:

- Revenues from real property taxes exceeded budgetary expectations by \$3.7 million due to the better than expected collection of prior year tax payments.
- Other tax items were better than anticipated due to increases in interest and penalties on real property taxes by \$1.47 million, gain on sale of tax acquired property of \$1.73 million, increased payments in lieu of taxes by \$1.17 million and real estate transfer taxes by \$2.20 million.
- Income tax revenues were higher than budgetary expectations by \$.89 million, due to the January 1, 2014 retroactively imposed increase in the income tax surcharge rate from 15.00% up to 16.75%.
- Sales and use tax revenue exceeded budgetary expectations by \$.63 million, as a result of the overall positive economic trends.
- Revenues from parking violations surpassed budgetary expectations by \$1.8 million due to stricter enforcement efforts by the department.
- Revenues from raceway impact fess exceeded budgetary expectations by \$1.4 million as a result of the unbudgeted supplemental memorandum of agreement for 2013 refinancing between Yonkers Racing Corporation and the City of Yonkers Industrial Development Agency.
- Sale of real property was higher than budgetary expectation by \$1.9 million, due to sales of City-owned foreclosed properties.

Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2014 amounted to \$605.8 million (net of accumulated depreciation). This investment in capital assets includes land, construction-in-progress, buildings and improvements, machinery and equipment and infrastructure. The total net increase in the City's investment in capital assets for the current fiscal year was \$24.1 million.

Major capital asset events during the current fiscal year included the following:

- Saw Mill and Bronx River Outflow Remediation
- Road Resurfacing
- Acquisition of Police Vehicles
- Water Meter Replacement
- Tree Rehabilitation and Replacement

The change in capital assets, net of accumulated depreciation, is reflected below.

	June 30,	
	2014	2013
Land	\$ 24,517,166	\$ 24,517,166
Buildings and Improvements	349,499,019	318,843,198
Machinery and Equipment	29,126,066	27,564,878
Infrastructure	175,783,606	164,369,798
Construction-in-progress	26,847,899	46,357,869
Total	<u>\$ 605,773,756</u>	<u>\$ 581,652,909</u>

More detailed information about the City's capital assets is presented in Note 3,H in the notes to financial statements.

Long-term Debt

The City had general obligation and other long-term debt outstanding as follows:

	June 30,	
	2014	2013
Bonds Payable	\$ 493,769,884	\$ 539,404,439
Bonds Anticipation Notes Payable	7,065,000	7,065,000
Notes Payable	16,188,304	17,690,456
Loan Payable	341,770	341,770
State Loan Payable	3,200,000	3,400,000
Energy Performance Contract Payable	8,423,000	-
Compensated Absences	43,755,037	47,175,819
Retirement Incentives and Other Pension Obligations	75,389,116	55,022,038
Claims Payable	78,397,475	65,543,922
Other Post Employment Benefit Obligation	749,725,588	631,182,816
Total	<u>\$ 1,476,255,174</u>	<u>\$ 1,366,826,260</u>

During the 2013-2014 fiscal year, the City retired \$43.7 million in long-term bonded indebtedness. No new bonds were issued during the fiscal year. The City entered into an energy performance contract of \$8.4 million for the installation of energy efficient street lights.

The bond rating agencies, Moody's and Standard & Poor's have assigned the following ratings for currently outstanding bond issuances of the City. Moody's Investors Service has upgraded to 'A3' from 'Baa1' the underlying general obligation rating on the City's outstanding debt. Concurrently, Moody's has upgraded to 'A2' from 'A3' the 1999 Series B school district enhanced rating. Standard & Poor's Ratings Services raised its underlying rating (SPUR) on the City's general obligation (GO) bonds outstanding three notches, to 'A+' from 'BBB+'. In addition, S&P also raised the SPUR one notch, to 'A+' from 'A' on the School District's GO debt outstanding.

The State Constitution limits the amount of indebtedness, both long-term and short-term, which the City may incur. The State Constitution provides that the City may not contract indebtedness in an amount greater than nine percent of the average full value of taxable real property in the City for the most recent five years. Certain indebtedness is excluded in determining the City's authority to contract indebtedness within the constitutional limits; accordingly, debt of this kind, commonly referred to as "excluded debt", may be issued without regard to the constitutional limits and without affecting the City's authority to issue debt subject to the limit. At June 30, 2014, the City had used \$410,138,874 or 32.06% of the constitutional debt limit, leaving \$868,991,773 remaining to be used.

More detailed information about the City's long-term liabilities is presented in Note 3,M in the notes to financial statements.

Economic Factors and Next Year's Budget

According to the New York State Department of Labor statistics, the unemployment rate for the City in November of 2014 was 6.0%, down from 9.1% in January of 2012. This is comparable with the rate of 5.8% for New York State (from same source) and the 5.8% national unemployment rate as per the United States Bureau of Labor Statistics. Data from the United States Bureau of Labor Statistics also shows that the 0.8% increase in the Consumer Price Index for the area (New York-Northern New Jersey-Long Island, NY-NJ-CT-PA) from November 2013 to November 2014 was on par with the 1.3% increase recorded for the U.S. city average for the same period. City management was also aware that in 2014-15 there would possibly be increases in wages and employee benefits (particularly social security insurance and retirement contributions) due to already agreed upon and possible future contractual labor settlements, as well as the increased costs from assuming Board of Education administrative and financial functions. All of these factors were taken into consideration in developing the fiscal 2014-15 budget.

The General Fund budget for fiscal year 2015 is \$701.6 million, as compared to the fiscal year 2014 budget of \$661.3 million, an increase of \$40.3 million, or 6.09%. The City elected to use \$31 million of the fund balance at June 30, 2014 to balance the fiscal year 2015 budget. The City's combined tax rate for City and Board of Education operations increased from \$688.93 per thousand of assessed value to \$701.59, or a 1.84% increase.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Commissioner of Finance and Management Services, City of Yonkers, Department of Finance, One Larkin Center, Third Floor, Yonkers, New York 10701 or visit the City's web page at **www.yonkersny.gov**.

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**BASIC
FINANCIAL STATEMENTS**

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City of Yonkers, New York

Statement of Net Position
June 30, 2014

	Primary Government Governmental Activities	Component Units
ASSETS		
Cash and equivalents	\$ 22,965,649	\$ 889,414
Investments	105,711,217	10,133
Restricted cash	288,853	-
Receivables		
Property taxes, net	14,544,066	-
Income taxes	2,869,133	-
Accounts, net	36,358,202	1,630,515
State and Federal aid	125,277,256	-
Notes	10,600	13,517,054
Loans	15,387,436	-
Loans - Component unit	1,591,091	-
Prepaid expenses	124,299	29,257
Inventories	143,505	-
Land held for economic development	-	4,739,841
Capital assets		
Not being depreciated	51,365,065	658,485
Being depreciated, net	554,408,691	8,471,402
Total Assets	931,045,063	29,946,101
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts on refunding bonds	4,298,519	-
LIABILITIES		
Accounts payable	55,312,242	145,893
Accrued liabilities	31,380,655	62,488
County taxes payable	29,803,859	-
Retainages payable	1,926,524	-
Bond anticipation notes payable	14,086,900	-
Employee payroll deductions	453,931	-
Due to other governments	13,878,472	-
Overpayments	105,378	-
Unearned revenues	6,716,825	350,000
Accrued interest payable	7,076,869	192,585
Due to retirement systems	45,454,550	-
Line of credit payable to bank	-	1,006,716
Non-current liabilities		
Due within one year	104,207,598	407,765
Due in more than one year	1,372,047,576	12,788,563
Total Liabilities	1,682,451,379	14,954,010
DEFERRED INFLOWS OF RESOURCES		
Taxes collected in advance	4,142,140	-
NET POSITION		
Net investment in capital assets	185,485,893	(253,702)
Restricted		
Capital projects	1,236,618	-
Special purposes	890,304	-
Debt service	1,660,134	-
Community development projects	11,652,280	-
School lunch	143,505	-
Unrestricted	(952,318,671)	15,245,793
Total Net Position	\$ (751,249,937)	\$ 14,992,091

The notes to financial statements are an integral part of this statement.

City of Yonkers, New York

Statement of Activities
Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government support	\$ 107,100,494	\$ 19,468,301	\$ 12,793	\$ -
Education	647,422,656	2,666,651	67,182,405	(14,685)
Public safety	275,001,739	7,768,318	8,118,429	-
Transportation	6,172,307	476,745	2,182,005	-
Culture and recreation	28,498,545	2,647,887	687,470	16,036
Home and community services	86,636,459	34,289,017	12,486,343	163,917
Interest	21,239,113	-	417,609	-
Total Governmental Activities	<u>\$ 1,172,071,313</u>	<u>\$ 67,316,919</u>	<u>\$ 91,087,054</u>	<u>\$ 165,268</u>
Component units	<u>\$ 1,511,575</u>	<u>\$ 273,786</u>	<u>\$ 2,613,512</u>	<u>\$ -</u>
General revenues				
Real property taxes				
Other tax items				
Interest and penalties on real property taxes				
Gain on sale of tax acquired property				
Payments in lieu of taxes				
Real estate transfer taxes				
School tax relief reimbursement				
Supplemental real estate taxes				
Water Fund				
Non-property taxes				
Income taxes				
Sales and use taxes				
Off-track betting surcharge				
Raceway admissions taxes				
Raceway impact fees				
Utilities gross receipts taxes				
Cable television franchise fees				
Forfeitures				
Unrestricted use of money and property				
Sale of property and compensation for loss				
Unrestricted State aid				
Gain on sale of real property				
Insurance recoveries				
Miscellaneous				
Total General Revenues				
Change in Net Position				
Net Position - Beginning				
Net Position - Ending				

The notes to financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position	
Primary Governmental Governmental Activities	Component Units
\$ (87,619,400)	\$ -
(577,588,285)	-
(259,114,992)	-
(3,513,557)	-
(25,147,152)	-
(39,697,182)	-
(20,821,504)	-
(1,013,502,072)	-
-	1,375,723
302,493,214	-
5,015,309	-
1,728,030	-
18,053,651	-
8,421,419	-
38,848,267	-
526,841	-
6,276,913	-
41,299,335	-
70,395,766	-
225,748	-
32,702	-
2,403,000	-
8,019,366	-
2,673,985	-
975	-
127,257	383,657
1,302,671	-
333,252,133	-
807,193	-
1,227,935	-
8,333,450	-
851,465,160	383,657
(162,036,912)	1,759,380
(589,213,025)	13,232,711
\$ (751,249,937)	\$ 14,992,091

City of Yonkers, New York

Balance Sheet
Governmental Funds
June 30, 2014

	General	Education	Education Special Aid
ASSETS			
Cash and equivalents	\$ -	\$ -	\$ -
Investments	33,495,326	-	-
Restricted cash	-	-	-
Receivables			
Property taxes, net	14,544,066	-	-
Income taxes	2,869,133	-	-
Accounts, net	6,918,114	7,213,177	-
State and Federal aid	20,912,097	71,263,445	20,067,044
Due from other funds	93,250,742	39,919,759	31,356,184
Advances to other funds	2,600,229	1,020,487	-
Notes	10,600	-	-
Loans	509,062	-	-
Loans - Component unit	-	-	-
	141,614,043	119,416,868	51,423,228
Prepaid expenditures	-	-	-
Inventories	-	-	-
Total Assets	\$ 175,109,369	\$ 119,416,868	\$ 51,423,228
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 21,591,941	\$ 19,812,603	\$ 4,126,761
Accrued liabilities	9,160,167	20,529,431	814,991
County taxes payable	29,803,859	-	-
Retainages payable	-	-	-
Bond anticipation notes payable	-	-	-
Employee payroll deductions	453,931	-	-
Due to other governments	-	1,959,101	1,903,371
Due to other funds	14,898,854	75,464,143	43,557,618
Advances from other funds	-	-	1,020,487
Unearned revenues	1,653,987	1,547,827	-
Due to retirement systems	6,707,881	37,447,701	-
Overpayments	-	105,378	-
Total Liabilities	84,270,620	156,866,184	51,423,228
Deferred inflows of resources			
Deferred tax revenues	12,621,789	-	-
Taxes collected in advance	4,142,140	-	-
Total Deferred Inflows of Resources	16,763,929	-	-
Total Liabilities and Deferred Inflows of Resources	101,034,549	156,866,184	51,423,228
Fund balances (deficits)			
Nonspendable	3,543,829	1,020,487	-
Restricted	-	-	-
Assigned	33,036,096	-	-
Unassigned	37,494,895	(38,469,803)	-
Total Fund Balances (Deficits)	74,074,820	(37,449,316)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 175,109,369	\$ 119,416,868	\$ 51,423,228

The notes to financial statements are an integral part of this statement.

Community Development	City Capital Projects	Education Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ 7,166,063	\$ -	\$ -	\$ 15,799,586	\$ 22,965,649
-	71,863,785	-	352,106	105,711,217
288,853	-	-	-	288,853
-	-	-	-	14,544,066
-	-	-	-	2,869,133
211,612	-	-	22,015,299	36,358,202
1,910,045	-	-	11,124,625	125,277,256
46,590,565	-	39,920,705	84,458,516	335,496,471
-	-	-	-	3,620,716
-	-	-	-	10,600
14,878,374	-	-	-	15,387,436
1,591,091	-	-	-	1,591,091
65,181,687	-	39,920,705	117,598,440	535,154,971
124,299	-	-	-	124,299
-	-	-	143,505	143,505
\$ 72,760,902	\$ 71,863,785	\$ 39,920,705	\$ 133,893,637	\$ 664,388,494
\$ 454,984	\$ 1,822,669	\$ 1,886,062	\$ 5,617,222	\$ 55,312,242
37,051	-	24,262	814,753	31,380,655
-	-	-	-	29,803,859
-	1,612,601	313,923	-	1,926,524
-	8,881,000	5,205,900	-	14,086,900
-	-	-	-	453,931
10,016,000	-	-	-	13,878,472
47,818,609	35,840,507	2,798,022	115,118,718	335,496,471
2,600,229	-	-	-	3,620,716
6,045,113	462,576	-	4,927,575	14,637,078
-	-	-	167,151	44,322,733
-	-	-	-	105,378
66,971,986	48,619,353	10,228,169	126,645,419	545,024,959
-	-	-	-	12,621,789
-	-	-	-	4,142,140
-	-	-	-	16,763,929
66,971,986	48,619,353	10,228,169	126,645,419	561,788,888
2,724,528	-	-	143,505	7,432,349
-	23,244,432	29,692,536	2,550,438	55,487,406
3,064,388	-	-	4,963,390	41,063,874
-	-	-	(409,115)	(1,384,023)
5,788,916	23,244,432	29,692,536	7,248,218	102,599,606
\$ 72,760,902	\$ 71,863,785	\$ 39,920,705	\$ 133,893,637	\$ 664,388,494

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City of Yonkers, New York

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position June 30, 2014

Fund Balance - Total Governmental Funds	\$ 102,599,606
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	605,773,756
Governmental funds do not report the effect of losses on refunding bonds whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on refunding bonds	4,298,519
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Real property taxes	12,621,789
Sale of real property	509,062
State aid	1,547,827
Departmental income	5,863,364
	20,542,042
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable - Judgments and claims	(42,094,456)
Bonds payable - Capital construction	(451,675,428)
Bond anticipation notes payable	(7,065,000)
Notes payable	(16,188,304)
Energy performance contract payable	(8,423,000)
Loan payable	(341,770)
State loan payable	(3,200,000)
Compensated absences	(43,755,037)
Retirement incentives and other pension obligations	(75,389,116)
Claims payable	(78,397,475)
Other post employment benefit obligations payable	(749,725,588)
Due to retirement systems	(1,131,817)
Accrued interest payable	(7,076,869)
	(1,484,463,860)
Net Position of Governmental Activities	\$ (751,249,937)

The notes to financial statements are an integral part of this statement.

City of Yonkers, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2014

	General	Education	Education Special Aid
REVENUES			
Real property taxes	\$ 306,231,052	\$ -	\$ -
Other tax items	72,593,517	-	-
Non-property taxes	125,049,902	-	-
Departmental income	29,688,640	-	-
Charges for services	-	500,521	-
Use of money and property	570,423	453,994	-
Forfeitures	-	975	-
Sale of property and compensation for loss	2,210,391	92,280	-
Interfund revenues	-	860,523	-
State aid	113,935,572	240,591,730	10,069,148
Federal aid	2,648,482	467,996	28,863,420
Food sales	-	-	-
Miscellaneous	6,995,483	1,346,621	290,382
Total Revenues	659,923,462	244,314,640	39,222,950
EXPENDITURES			
Current			
General government support	72,735,309	-	-
Education	-	370,027,731	41,953,318
Public safety	140,976,674	-	-
Transportation	2,771,060	-	-
Culture and recreation	7,963,752	-	-
Home and community services	23,816,712	-	-
Employee benefits	119,835,888	129,552,869	1,399,207
Cost of food sales	-	-	-
Debt service			
Principal	-	1,038,439	-
Interest	612,530	622,984	-
Capital Outlay	-	-	-
Total Expenditures	368,711,925	501,242,023	43,352,525
Excess (Deficiency) of Revenues Over Expenditures	291,211,537	(256,927,383)	(4,129,575)
OTHER FINANCING SOURCES (USES)			
Insurance recoveries	-	-	-
Energy performance contract issued	-	-	-
Transfers in	8,650,732	227,996,844	4,129,575
Transfers out	(280,666,171)	(23,140,786)	-
Total Other Financing Sources (Uses)	(272,015,439)	204,856,058	4,129,575
Net Change in Fund Balances	19,196,098	(52,071,325)	-
FUND BALANCES (DEFICITS)			
Beginning of Year	54,878,722	14,622,009	-
End of Year	\$ 74,074,820	\$ (37,449,316)	\$ -

The notes to financial statements are an integral part of this statement.

Community Development	City Capital Projects	Education Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 306,231,052
-	-	-	6,276,913	78,870,430
-	-	-	-	125,049,902
772,973	-	-	30,013,863	60,475,476
-	-	-	894,334	1,394,855
16,641	-	34,074	-	1,075,132
-	-	-	-	975
1,892,000	-	-	-	4,194,671
-	-	-	-	860,523
-	-	(48,759)	7,141,619	371,689,310
5,034,208	-	-	14,290,363	51,304,469
-	-	-	1,712,136	1,712,136
15,620	179,953	-	973,654	9,801,713
7,731,442	179,953	(14,685)	61,302,882	1,012,660,644
-	-	-	-	72,735,309
-	-	-	-	411,981,049
-	-	-	6,626,981	147,603,655
-	-	-	2,182,005	4,953,065
-	-	-	8,248,478	16,212,230
5,619,601	-	-	31,508,695	60,945,008
-	-	-	2,040,137	252,828,101
-	-	-	7,326,434	7,326,434
-	-	-	45,256,521	46,294,960
279,085	-	-	21,794,550	23,309,149
-	37,154,401	14,053,843	-	51,208,244
5,898,686	37,154,401	14,053,843	124,983,801	1,095,397,204
1,832,756	(36,974,448)	(14,068,528)	(63,680,919)	(82,736,560)
-	1,227,935	-	-	1,227,935
-	8,423,000	-	-	8,423,000
-	-	-	80,026,191	320,803,342
-	-	-	(16,996,385)	(320,803,342)
-	9,650,935	-	63,029,806	9,650,935
1,832,756	(27,323,513)	(14,068,528)	(651,113)	(73,085,625)
3,956,160	50,567,945	43,761,064	7,899,331	175,685,231
\$ 5,788,916	\$ 23,244,432	\$ 29,692,536	\$ 7,248,218	\$ 102,599,606

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City of Yonkers, New York

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2014

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	\$ (73,085,625)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital outlay expenditures	49,158,251
Depreciation expense	(24,844,597)
	<u>24,313,654</u>

The net effect of various miscellaneous transactions involving capital assets is to decrease net position.

	<u>(192,807)</u>
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Real property taxes	(3,737,838)
Departmental income	945,292
Miscellaneous income	(8,302)
	<u>(2,800,848)</u>

Bond, note and loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities.

Principal paid on bonds	43,650,000
Principal paid on notes	1,502,152
Principal paid on State loan	200,000
Energy performance contract issued	(8,423,000)
Amortization of loss on refunding bonds and issuance premium	831,303
	<u>37,760,455</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	3,420,782
Retirement incentives and other pension obligations	(20,367,078)
Claims payable	(12,853,553)
Other post employment benefits payable	(118,542,772)
Accrued interest payable	565,569
Due to retirement systems	(254,689)
	<u>(148,031,741)</u>

Change in Net Position of Governmental Activities	<u>\$ (162,036,912)</u>
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The notes to financial statements are an integral part of this statement.

City of Yonkers, New York

Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General, Education and Education Special Aid Funds
Year Ended June 30, 2014

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 302,570,175	\$ 302,570,175	\$ 306,231,052	\$ 3,660,877
Other tax items	66,318,027	66,318,027	72,593,517	6,275,490
Non-property taxes	121,466,391	121,466,391	125,049,902	3,583,511
Departmental income	26,452,813	26,452,813	29,688,640	3,235,827
Charges for services	-	-	-	-
Use of money and property	702,185	702,185	570,423	(131,762)
Forfeitures	-	-	-	-
Sale of property and compensation for loss	300,000	300,000	2,210,391	1,910,391
Interfund revenues	-	-	-	-
State aid	114,171,064	114,171,064	113,935,572	(235,492)
Federal aid	1,840,293	1,840,293	2,648,482	808,189
Miscellaneous	1,836,530	1,836,530	6,995,483	5,158,953
Total Revenues	635,657,478	635,657,478	659,923,462	24,265,984
EXPENDITURES				
Current				
General government support	79,831,204	80,034,188	72,735,309	7,298,879
Education	-	-	-	-
Public safety	139,776,849	139,888,822	140,976,674	(1,087,852)
Transportation	1,610,031	1,912,812	2,771,060	(858,248)
Culture and recreation	8,134,595	8,140,174	7,963,752	176,422
Home and community services	25,090,425	24,868,563	23,816,712	1,051,851
Employee benefits	126,633,732	126,232,277	119,835,888	6,396,389
Debt service				
Principal	-	-	-	-
Interest	1,500,000	1,500,000	612,530	887,470
Total Expenditures	382,576,836	382,576,836	368,711,925	13,864,911
Excess (Deficiency) of Revenues Over Expenditures	253,080,642	253,080,642	291,211,537	38,130,895
OTHER FINANCING SOURCES (USES)				
Transfers in	8,650,732	8,650,732	8,650,732	-
Transfers out	(280,547,432)	(280,547,432)	(280,666,171)	(118,739)
Total Other Financing Sources (Uses)	(271,896,700)	(271,896,700)	(272,015,439)	(118,739)
Net Change in Fund Balances	(18,816,058)	(18,816,058)	19,196,098	38,012,156
FUND BALANCES (DEFICITS)				
Beginning of Year	18,816,058	18,816,058	54,878,722	36,062,664
End of Year	\$ -	\$ -	\$ 74,074,820	\$ 74,074,820

Education Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
387,120	387,120	500,521	113,401
300,000	300,000	453,994	153,994
5,000	5,000	975	(4,025)
-	-	92,280	92,280
1,105,915	1,105,915	860,523	(245,392)
266,690,585	266,690,585	240,591,730	(26,098,855)
520,000	520,000	467,996	(52,004)
2,191,475	2,191,475	1,346,621	(844,854)
271,200,095	271,200,095	244,314,640	(26,885,455)
-	-	-	-
377,045,583	373,996,299	370,027,731	3,968,568
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
132,493,797	130,805,402	129,552,869	1,252,533
1,643,439	1,038,439	1,038,439	-
958,426	622,984	622,984	-
512,141,245	506,463,124	501,242,023	5,221,101
(240,941,150)	(235,263,029)	(256,927,383)	(21,664,354)
227,996,844	227,996,844	227,996,844	-
(17,462,675)	(23,140,796)	(23,140,786)	10
210,534,169	204,856,048	204,856,058	10
(30,406,981)	(30,406,981)	(52,071,325)	(21,664,344)
30,406,981	30,406,981	14,622,009	(15,784,972)
\$ -	\$ -	\$ (37,449,316)	\$ (37,449,316)

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City of Yonkers, New York

Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General, Education and Education Special Aid Funds
Year Ended June 30, 2014

	Education Special Aid Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ -	\$ -	\$ -	\$ -
Other tax items	-	-	-	-
Non-property taxes	-	-	-	-
Departmental income	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	-	-
Forfeitures	-	-	-	-
Sale of property and compensation for loss	-	-	-	-
Interfund revenues	-	-	-	-
State aid	15,559,176	15,599,224	10,069,148	(5,530,076)
Federal aid	32,189,534	36,115,423	28,863,420	(7,252,003)
Miscellaneous	452,531	452,531	290,382	(162,149)
Total Revenues	48,201,241	52,167,178	39,222,950	(12,944,228)
EXPENDITURES				
Current				
General government support	-	-	-	-
Education	47,954,055	54,893,553	41,953,318	12,940,235
Public safety	-	-	-	-
Transportation	-	-	-	-
Culture and recreation	-	-	-	-
Home and community services	-	-	-	-
Employee benefits	1,353,200	1,403,200	1,399,207	3,993
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	49,307,255	56,296,753	43,352,525	12,944,228
Excess (Deficiency) of Revenues Over Expenditures	(1,106,014)	(4,129,575)	(4,129,575)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	1,106,014	4,129,575	4,129,575	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	1,106,014	4,129,575	4,129,575	-
Net Change in Fund Balances	-	-	-	-
FUND BALANCES (DEFICITS)				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

The notes to financial statements are an integral part of this statement.

City of Yonkers, New York

Statement of Assets and Liabilities

Fiduciary Fund

June 30, 2014

	Agency Fund
ASSETS	
Cash and equivalents	\$ 9,650,750
Investments	126,549
Accounts receivable	<u>1,238,952</u>
Total Assets	<u>\$ 11,016,251</u>
LIABILITIES	
Accounts payable	\$ 638,884
Employee payroll deductions	2,603,122
Deposits	7,515,486
Student activity funds	<u>258,759</u>
Total Liabilities	<u>\$ 11,016,251</u>

The notes to financial statements are an integral part of this statement.

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City of Yonkers, New York

Statement of Net Position
Component Units
June 30, 2014

	Yonkers Downtown Waterfront Development Corporation	Yonkers Economic Development Corporation	New Main Street Development Corporation	Yonkers Pier Development, Incorporated	Total
ASSETS					
Cash and equivalents	\$ 166,214	\$ 133,643	\$ 414,638	\$ 174,919	\$ 889,414
* Investments	10,133	-	-	-	10,133
Receivables					
Accounts, net	1,163,547	82,942	22,830	361,196	1,630,515
Notes	-	13,517,054	-	-	13,517,054
Prepaid expenses	25,791	3,466	-	-	29,257
Land held for economic development	-	-	4,739,841	-	4,739,841
Capital assets					
Not being depreciated	658,485	-	-	-	658,485
Being depreciated, net	1,036,934	-	-	7,434,468	8,471,402
Total Assets	3,061,104	13,737,105	5,177,309	7,970,583	29,946,101
LIABILITIES					
Accounts payable	47,727	26,532	44,634	27,000	145,893
Accrued expenses	-	62,488	-	-	62,488
Unearned revenues	-	-	350,000	-	350,000
Accrued interest payable	153,661	38,924	-	-	192,585
Line of credit payable to bank	1,006,716	-	-	-	1,006,716
Non-current liabilities					
Due within one year	298,237	-	-	109,528	407,765
Due in more than one year	1,795,512	2,629,000	-	8,364,051	12,788,563
Total Liabilities	3,301,853	2,756,944	394,634	8,500,579	14,954,010
NET POSITION					
Net investment in capital assets	(398,330)	-	-	144,628	(253,702)
Unrestricted	157,581	10,980,161	4,782,675	(674,624)	15,245,793
Total Net Position	\$ (240,749)	\$ 10,980,161	\$ 4,782,675	\$ (529,996)	\$ 14,992,091

The notes to the financial statements are an integral part of this statement.

City of Yonkers, New York

Statement of Activities
Component Units
June 30, 2014

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Yonkers Downtown Waterfront Development Corporation	\$ 405,398	\$ -	\$ 615,655
Yonkers Economic Development Corporation	378,512	70,000	-
New Main Street Development Corporation	96,907	-	1,964,484
Yonkers Pier Development, Incorporated	<u>630,758</u>	<u>203,786</u>	<u>33,373</u>
Total	<u>\$ 1,511,575</u>	<u>\$ 273,786</u>	<u>\$ 2,613,512</u>

General Revenues

Unrestricted use of money and property

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position				
Yonkers Downtown Waterfront Development Corporation	Yonkers Economic Development Corporation	New Main Street Development Corporation	Yonkers Pier Development, Incorporated	Total
\$ 210,257	\$ -	\$ -	-	\$ 210,257
-	(308,512)	-	-	(308,512)
-	-	1,867,577	-	1,867,577
-	-	-	(393,599)	(393,599)
210,257	(308,512)	1,867,577	(393,599)	1,375,723
210	231,854	151,540	53	383,657
210,467	(76,658)	2,019,117	(393,546)	1,759,380
(451,216)	11,056,819	2,763,558	(136,450)	13,232,711
<u>\$ (240,749)</u>	<u>\$ 10,980,161</u>	<u>\$ 4,782,675</u>	<u>\$ (529,996)</u>	<u>\$ 14,992,091</u>

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Note 1 - Summary of Significant Accounting Policies

The City of Yonkers, New York ("City") was incorporated in 1872 and operates in accordance with its Charter, as revised, and the various applicable laws of the State of New York. Since 1976, the City is also governed by the provisions of the Special Local Finance and Budget Act of New York State for the City of Yonkers. The City functions under a Mayor-Council form of government. The City Council serves as the legislative body responsible for overall operation and the Mayor serves as the chief executive officer. The City provides the following services to its residents; public safety, transportation, culture and recreation, home and community services and general and administrative services. The Board of Education ("Board") of the City is responsible for providing education services to the residents of the City. The members of the Board are appointed by the Mayor. The Board is, pursuant to Section 2551 of the Education Law of the State of New York, a legally separate entity. Inasmuch as the Board has no taxing power, relies solely upon the City for appropriations, and, while it may be sued in its own name, recourse exists to the City and therefore the Board may not be defined as a separate legal entity for financial reporting purposes pursuant to the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 61. These provisions indicate that the Board is part of the primary government of the City.

The accounting policies of the City conform to generally accepted accounting principles for local governmental units and the Uniform System of Accounts as prescribed by the State of New York. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the City's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government which is the City, b) organizations for which the City is financially accountable and c) other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the City's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, the following component units are included in the City's reporting entity because of their operational or financial relationship with the City.

The Yonkers Downtown Waterfront Development Corporation ("YDWDC") is a not-for-profit corporation, established pursuant to Section 501(c)(3) of the Internal Revenue Code, to develop and/or rehabilitate properties in the City for the cultural and economic benefit of its citizens. The YDWDC has a December 31st fiscal year end. The Board of Directors consists of fifteen directors; six are Municipal Directors and nine are Business/Public Directors. The Business/Public Directors are appointed by the Mayor for three year terms. The Municipal Directors are: the Mayor, the Commissioner of Planning and Development, a designee of the City Council, a designee of the Yonkers members of the Westchester County ("County") Board of Legislators, a designee of the County Executive and a designee of the City's delegation to the New York State Legislature. Board members have complete responsibility for the management of the YDWDC and accountability for fiscal matters. Financial support in the form of grants, loans and property has been provided by the City through its Community Development funds. The loan portion is required to be repaid and consequently there is a potential financial burden to the City. Since the YDWDC does not provide services entirely or almost entirely to the City, the financial statements of the YDWDC have been reflected as a discretely presented component unit.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Yonkers Economic Development Corporation ("YEDC") is a not-for-profit local development corporation created under the provisions of Section 115 of the Internal Revenue Code for the purpose of assisting the Yonkers Industrial Development Agency ("Agency") with promoting and supporting the development of commerce, bolstering employment and stimulating economic growth and prosperity in the City by providing certain taxable and tax exempt financial assistance on occasions where incentives are no longer provided by the Agency or in instances where the Agency's ability to assist economic development projects has been significantly limited. The YEDC has a December 31st fiscal year end. Members of the Board of Directors of the YEDC are appointed by the Mayor. YEDC members have complete responsibility for management of the YEDC and accountability for fiscal matters. The City is not liable for YEDC bonds or notes. The governing board of the YEDC serves at the pleasure of the Mayor and, therefore, the City is able to impose its will on the YEDC. Since the YEDC does not provide services entirely or almost entirely to the City, the financial statements of the YEDC have been reflected as a discretely presented component unit.

The New Main Street Development Corporation ("NMSDC") was created in 2007 as a local development corporation by the City under the provisions of Section 115 of the Internal Revenue Code to promote and provide for additional and maximum employment opportunities, promote economic development, lessen the burden of government and act in the public interest. Specific focuses of the NMSDC are the redevelopment of distressed areas in downtown Yonkers and the day lighting of the Saw Mill River. The NMSDC has a December 31st fiscal year end. The NMSDC is governed by Article 18-A of the General Municipal Law of the State of New York. The NMSDC is exempt from Federal, State and local income taxes. The sole member of the NMSDC shall be the Deputy Mayor of the City, ex officio. The NMSDC is managed by a Board of Directors that serves at the pleasure of the sole member and, therefore, the City is considered able to impose its will on the NMSDC. Since the NMSDC does not provide services entirely or almost entirely to the City, the financial statements of the NMSDC have been reflected as a discretely presented component unit.

The Yonkers Pier Development, Incorporated ("YPDI") is a not-for-profit local development corporation created under the provisions of Section 115 of the Internal Revenue Code for the purpose of renovating and improving the pier located on the waterfront of the Hudson River. Included in the project is 8,000 square feet of building space, to be utilized as a commercial restaurant and concession. The YPDI has a December 31st fiscal year end. YPDI is governed by Article 18-A of the General Municipal Law of the State of New York. The YPDI is exempt from Federal, State and local income taxes. Members of the Board of Directors of the YPDI are appointed by the Mayor. YPDI members have complete responsibility for management of the YPDI and accountability for fiscal matters. The City is not liable for YPDI bonds or notes. The governing board of the YPDI serves at the pleasure of the Mayor and, therefore, the City is able to impose its will on the YPDI. Since the YPDI does not provide services entirely or almost entirely to the City, the financial statements of the YPDI have been reflected as a discretely presented component unit.

Complete financial statements of the individual component units can be obtained from their respective administrative offices at the addresses indicated below:

Yonkers Downtown Waterfront Development Corporation
City Hall - Room 414
Yonkers, New York 10705

Note 1 - Summary of Significant Accounting Policies (Continued)

Yonkers Economic Development Corporation
87 Nepperhan Avenue
Yonkers, New York 10701

New Main Street Development Corporation
87 Nepperhan Avenue
Yonkers, New York 10701

Yonkers Pier Development, Incorporated
87 Nepperhan Avenue
Yonkers, New York 10701

The following organizations are related to the City:

The Yonkers Industrial Development Agency ("YIDA") is a public benefit corporation created by State legislation to promote the economic welfare, recreation opportunities and prosperity of the inhabitants of the City. Members of the YIDA are appointed by the Mayor for a specified term. YIDA members have complete responsibility for management of the YIDA and accountability for fiscal matters. The City is not liable for YIDA bonds or notes.

The Yonkers Housing Authority ("YHA") is a public benefit corporation created by State legislation to promote the development of adequate housing for the citizens of the City. Members of the YHA are appointed by the Mayor for a specified term. YHA members have complete responsibility for management of the YHA and accountability for fiscal matters. The City is not liable for YHA bonds or notes.

The Yonkers Parking Authority ("YPA") is a public benefit corporation created to service and operate the City's parking facilities. Members of the YPA are appointed by the Mayor for a specified term. While the City does provide some accounting services, YPA members have complete responsibility for management of the YPA and accountability for fiscal matters. The City is not liable for YPA bonds or notes.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole and its component units. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. The primary government is reported separately from the legally separate component units.

The Statement of Net Position presents the financial position of the City and its component units at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items

Note 1 - Summary of Significant Accounting Policies (Continued)

not identified as program revenues are reported as general revenues. The City does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows or resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The City maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The City's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the City's major governmental funds.

General Fund – The General Fund constitutes the primary operating fund of the City and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The major special revenue funds of the City are as follows:

Education Fund - The Education Fund is used to account for the operation of the Yonkers City School District in accordance with the Education Law of the State of New York. The primary revenue sources for this fund are real property taxes transferred from the General Fund and State aid.

Note 1 - Summary of Significant Accounting Policies (Continued)

Education Special Aid Fund - The Education Special Aid Fund is used to account for special projects or programs of the School District which are supported in whole or in part with Federal, State or local sources of funds.

Community Development Fund - The Community Development Fund is used to record the operations of the grant programs operated by the City's Community Development Agency. The primary revenue source for this fund is federal aid.

City Capital Projects Fund - The City Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets for City purposes.

Education Capital Projects Fund - The Education Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets for School District purposes.

The City also reports the following non-major governmental funds:

Special Revenue Funds:

Sewer Fund - The Sewer Fund was established pursuant to the General Municipal Law of the State of New York and is used to account for sewer operations financed by sewer rents.

Water Fund - The Water Fund is used to record the water utility operations of the City which render services primarily on a user charge basis to the general public.

Public Library Fund - The Public Library Fund was established pursuant to the Education Law of the State of New York and is used to account for the operations of the City's library system.

School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast and lunch programs operated by the School District.

City Grants Fund - The City Grants Fund is used to record the financial activity of certain Federal, State and local funded grant programs.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the City in accordance with the terms of a trust agreement.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

Note 1 - Summary of Significant Accounting Policies (Continued)

- b. Fiduciary Fund (Not Included in Government-Wide Financial Statements) - Fiduciary Funds are used to account for assets held by the City in an agency capacity on behalf of others. Among the activities included in the Agency Fund are the student activity funds. The Agency fund is also used to account for employee payroll tax withholdings and various other deposits that are payable to other jurisdictions or individuals.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of year end. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, certain pension costs and other post-employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Component Units

The component units are presented on the basis of accounting that most accurately reflect their activities. The YDWDC, YEDC, NMSDC and YPDI are accounted for using the economic resources measurement focus and the accrual basis of accounting. The YDWDC, YEDC, NMSDC and YPDI apply all applicable Financial Accounting Standards Board ("FASB") guidance issued after November 30, 1989 in accounting and reporting for their operations.

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Deposits, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The City's deposit and investment policies are governed by State statutes. The City has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The City is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions, and accordingly, the City's policy provides for no credit risk on its deposits or investments.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The City has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

The City utilizes a pooled investment concept for all governmental funds to facilitate its investment program. Investment income from this pooling is allocated to the respective funds based upon the sources of funds invested.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the City's name. The City's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2014.

Investments - All investments are stated at fair value, which is based on quoted market prices. The detail of these investments and their related risks are described in Note 3A.

The City was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate or credit risk.

Restricted Cash - Certain assets are classified as restricted because their use is limited. Restricted cash included in the Community Development Fund will serve as collateral to fund any shortfalls in debt service payments relating to a financial assistance agreement with the YEDC (component unit).

Note 1 - Summary of Significant Accounting Policies (Continued)

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on the date confirmed by the City Council. The taxes are payable in three installments. The first installment is due on the later of thirty days after confirmation by the City Council or July 6th. The second and third installments are due on October 6th and January 6th, respectively. The City is also responsible for the billing and collection of the City's share of the real property tax levy of the County. County taxes are generally billed in the first ten days of March and are payable in one installment on April 6th. The City guarantees the full payment of the County warrant and assumes responsibility for uncollected taxes.

The City functions in both a fiduciary and guarantor relationship with the County with respect to the collection and payment of real property taxes levied by the County. The County Charter provides for the City to collect the taxes and remit them as collected to the County, except that the City must remit sixty percent of the amount levied by the County on May 25th and the balance of forty percent on October 15th. Thus, the City's fiduciary responsibility is from the date of the levy until October 15th, at which time the City must satisfy its obligation to the County regardless of the amounts collected.

The City's financial statements include an allowance for uncollectible taxes which was established based on collection experience.

Income Taxes Receivable - The City Council, with approval by the State of New York, has imposed an income tax surcharge on residents and a non-resident gross receipts tax. The State of New York acts as the intermediary collecting agent for the City and remits collections, less an administrative charge, to the City on a monthly basis.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the City. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the City has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2014, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Advances To/From Other Funds - Advances to/from other funds represent loans to other funds which are not expected to be repaid within the subsequent annual operating cycle. The advances are offset by nonspendable fund balance in the fund financial statements, which indicates that the funds are not "available" for appropriation or expenditures and are not expendable available financial resources.

Prepaid Expenses - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in the government-wide financial statements. Prepaid expenses consist of various costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year and will benefit such periods. Reported amounts are equally offset by nonspendable fund balance,

Note 1 - Summary of Significant Accounting Policies (Continued)

in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Inventories - Inventories in the School Lunch Fund consist of food and supplies and are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at a stated value which approximates market. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are purchased. The City uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and year-end balances are not material.

Capital Assets - Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and used an appropriate price level index to deflate the cost to the acquisition year or estimated acquisition year).

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant and equipment of the primary government and component units are depreciated using the straight line method over the following estimated useful lives.

Class	Life in Years
Primary Government:	
Buildings and Improvements	15-100
Machinery and Equipment	5-20
Infrastructure	20-50
Component Units:	
Buildings and Improvements	40
Leasehold Improvements	20

Note 1 - Summary of Significant Accounting Policies (Continued)

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheets.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City has reported unearned revenues of \$1,653,987 for accounts and loans receivable in the General Fund, \$1,547,827 for State aid in the Education Fund, \$6,045,113 for loans receivable and Federal aid in excess of expenditures in the Community Development Fund, \$462,576 for State and local aid received in advance in the City Capital Projects Fund and \$4,927,575 for Federal and State aid in excess of expenditures in non-major governmental funds - City Grants Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The City reported deferred outflows of resources of \$4,298,519 for a deferred loss on refunding bonds in the government-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is being deferred and amortized over the shorter of the life of the refunded or refunding debt. The City reported deferred inflows of resources of \$12,621,789 for real property taxes in the General Fund. The City also reported deferred inflows of resources of \$4,142,140 for taxes collected in advance in the General Fund and in the government-wide Statement of Net Position. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Long-term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expended as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs,

Note 1 - Summary of Significant Accounting Policies (Continued)

whether or not withheld from the actual debt proceeds received, are reported as Capital Projects or Debt Service fund expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation, sick and terminal leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for capital projects, special purposes, debt service, community development projects and school lunch purposes. The balance is classified as unrestricted.

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal or Education Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The City Council is the highest level of decision making authority for the City that can, by the adoption of ordinances submitted to them by the Mayor prior to the end of the fiscal year, commit fund balance. The Board of Education is the highest level of decision making authority for School District operations that can, by the adoption of resolutions prior to the end of the fiscal year, commit fund balance. These funds may only be used for the purpose specified unless the City or Board of Education removes or changes the purpose by taking the same action that was used to establish the

Note 1 - Summary of Significant Accounting Policies (Continued)

commitment. This classification includes certain amounts established and approved by the City Council and/or the Board of Education.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the City Council for amounts assigned for balancing the subsequent year's budget or through budgetary appropriations to the Commissioner of Finance and the various departments for amounts assigned for purchases on order. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General, certain Special Revenue and Capital Projects funds. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 1 - Summary of Significant Accounting Policies (Continued)

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 28, 2015.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

Certain elements of the City's budget process are prescribed by the Special Local Finance and Budget Act of 1976 ("Act"). This Act limits budgeted expenditures to amounts not less than those of the previous audited year and requires revenues to be estimated at not more than those of the previous audited year, unless justification documents have been filed with the Office of the State Comptroller as support.

The City generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) The various operating departments generally submit their requests for the ensuing year's appropriations in January.
- b) During January and February, these requests are reviewed by the Budget Department.
- c) The Mayor reviews the departmental requests during February and March.
- d) The Charter and the Act require the budget to be presented to the City Council by April 15th.
- e) The budget is referred to the Council's Budget Committee for deliberations and hearings.
- f) The City Council sets dates for the public hearings which are generally held in May.
- g) After the public hearings, the City Council adopts the budget which, by Charter, may not be later than June 1st or thirty days after adoption of the New York State budget, whichever is later.
- h) The Fiscal Agent (State Comptroller), as defined by the Act, reviews the budget to determine the justification documents required.
- i) After adoption, the Fiscal Agent certifies that the budget is in compliance with the Act.
- j) Formal budgetary integration is employed during the year as a management control device for General, certain Special Revenue and Debt Service funds.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- k) Budgets for General, certain Special Revenue and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. Capital Projects and Community Development funds are budgeted on a project basis. The City Council does not adopt an annual budget for the Special Purpose Fund.
- l) The City Charter has established legislative legal control of the City budget at the function level of expenditures. All transfers between appropriation accounts, at the function level, except those within the Executive Department, require approval by the City Council. Any modifications to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Council. The legally adopted budget for the Board of Education is controlled at the fund level of expenditures. Transfers between appropriation accounts require approval by the Superintendent. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations require Board of Education and City Council approval.
- m) Appropriations in General, certain Special Revenue and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the City Council.

B. Property Tax Limitation

The City is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the City, exclusive of the amount raised for the payment of interest on and redemption of long-term debt, judgments and claims and tax certiorari obligations. In accordance with this definition, the maximum amount of the tax levy for the 2013-2014 fiscal year was \$284,251,255, which exceeded the actual levy by \$16,810,012.

The Special Local Finance and Budget Act of 1976 requires the City to report its property tax revenues on a gross basis. Accordingly, uncollected taxes are recorded as an expenditure in the General Fund rather than as a reduction to property tax revenues.

On June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This law applies to all local governments.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a City in a particular year and began with the 2012-13 fiscal year. It expires on June 16, 2016.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the City to increase its overall

Note 2 - Stewardship, Compliance and Accountability (Continued)

real property tax levy for City purposes over the tax levy of the prior year for City purposes by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor with the result expressed as a decimal to four places. The City is required to calculate its tax levy limit for City purposes for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the City, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the City, as well as real property taxes levied on behalf of the Board of Education. The City Council may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the City Council first enacts, by a vote of at least sixty percent of the total voting power of the City Council, a local law to override such limit for such coming fiscal year.

C. Expenditures in Excess of Budget

The following categories of expenditure exceeded their budgetary provisions by the amounts indicated:

General Fund	
Staff Administrative and Advisory	
Purchasing	\$ 26,652
Office Services	3,801
Special Items	
Tax Remissions	788,557
Judgments and Claims	858,611
Termination Payments	440,742
School Crossing Guards	90
Administrative Charge - Income Tax	78,756
Grant Cash Match	333,240
Buena Vista Parking Garage	95,456
Public Safety	
Police Department	1,426,816
Fire Prevention and Control	
Fire Fighting	167,010
Communications	15,855
Transportation	
Snow and Ice Control	858,248

Note 2 - Stewardship, Compliance and Accountability (Continued)

Culture and Recreation	
Parks Maintenance	\$ 146,365
Community Centers	18,383
Home and Community Services	
General Environment -	
Economic Development	9,906
Sanitation -	
Refuse Collection	113,228
Debt Service	
Interest - Revenue Anticipation Notes	590,510
Transfers Out - Debt Service Fund	118,739
School Lunch Fund	
Employee Benefits	260,657
Education Debt Service Fund	
Retirement Incentives and Other	
Pension Obligations	
Interest	94,944

D. Application of Accounting Standards

For the year ended June 30, 2014, the City implemented GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*". This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows/inflows of resources, certain items that were previously reported as assets and liabilities. This statement also recognizes as outflows of resources (expenses or expenditures) or inflows of resources (revenues), certain items that were previously reported as assets and liabilities.

E. Fund Deficits

The Education Fund reflects an unassigned deficit of \$38,469,803 at June 30, 2014. This deficit is largely attributable to the fact that the School District included an estimate of \$28.1 million for State aid spin-up revenues in each of its 2012/13 and 2013/14 adopted budgets that was not authorized in New York State legislation. The School District will address this deficit in the ensuing year.

The Sewer Fund reflects an unassigned deficit of \$409,115 as of June 30, 2014. This deficit is attributable to revenues falling short of budgetary expectations. The City plans to address this deficit in the ensuing year.

City of Yonkers, New York

Notes to Financial Statements (Continued)

June 30, 2014

Note 3 - Detailed Notes on All Funds

A. Investments

Investments of the primary government consist of the following:

Fund	Certificates of Deposit	Repurchase Agreements	U.S. Treasury Bills	Total Amortized Cost Which Approximates Fair Value
General	\$ 1,430,879	\$ 1,824,725	\$ 30,239,722	\$ 33,495,326
City Capital Projects	-	-	71,863,785	71,863,785
Special Purpose	352,106	-	-	352,106
Agency	126,549	-	-	126,549
	<u>\$ 1,909,534</u>	<u>\$ 1,824,725</u>	<u>\$ 102,103,507</u>	<u>\$ 105,837,766</u>

The certificates of deposit are fixed rate investments that have maturities that are of a duration of between four and twelve months and are secured by FDIC coverage and collateral posted by the respective depository. The repurchase agreements are reinvested on a daily basis and are secured by the underlying investments in U.S. Treasury obligations held by a third party financial institution in the City's name. Accordingly, this group of investments is not subject to custodial credit risk, interest rate risk or foreign currency risk.

Investments of the YDWDC component unit consist of certificates of deposit that have maturities greater than three months and are secured by FDIC coverage.

B. Property Taxes Receivable

Taxes receivable at June 30, 2014 consisted of the following:

Current year - City taxes	\$ 8,865,139
Current year - County taxes	2,973,098
Prior years - City and County taxes	14,698,940
Tax sale certificates	3,761,824
Property acquired for taxes	<u>3,761,047</u>
	34,060,048
Less - Allowance for uncollectible taxes	<u>(19,515,982)</u>
	<u>\$ 14,544,066</u>

C. Notes Receivable - Component Unit

Notes receivable of \$13,517,054 reflected in the YEDC (component unit) financial statements represents loans made to private developers for the construction of a public access parking garage and affordable housing units in the downtown Larkin Plaza area. The repayment terms, interest rates and maturities of each loan vary.

Note 3 - Detailed Notes on All Funds (Continued)**D. Loans Receivable**

Loans receivable of \$509,062 reported in the General Fund as of June 30, 2014 represents a loan to the YPA (component unit) as consideration for a permit of use. The repayment terms require thirty annual payments of \$34,170, including interest at 5% per annum.

Loans receivable of \$14,878,374 reported in the Community Development Fund as of June 30, 2014 represent various loans issued to qualifying recipients under the Federal Home Investment Partnership Program and the Commercial Loan Program. The repayment terms and interest rates of each loan vary. It is the City's policy to recognize monthly payments as revenue in the year payment is received in the fund financial statements.

In the fund financial statements, portions of the above amounts have been reflected as unearned revenue since the amounts are not deemed "available" pursuant to generally accepted accounting principles.

E. Loans Receivable - Component Unit

Loans receivable - Component unit of \$1,591,091 in the Community Development Fund as of June 30, 2014 represent various loans issued between October 1995 and September 2009 to the YDWDC (component unit). The repayment terms, interest rates and maturities of each loan vary. The loans are secured by properties owned by the YDWDC. A portion of the above amount has been reflected as unearned revenue in the fund financial statements since the amount is not deemed "available" pursuant to generally accepted accounting principles.

F. Land Held for Economic Development - Component Unit

The NMSDC (component unit) records land held for economic development at cost. Cost includes land and property acquisition and other related closing costs. Once acquired, the properties will be condemned and redeveloped as waterfront open space.

G. Due From/To Other Funds

The balances reflected as due from/to other funds at June 30, 2014 were as follows:

Fund	Due From	Due To
General	\$ 93,250,742	\$ 14,898,854
Education	39,919,759	75,464,143
Education Special Aid	31,356,184	43,557,618
Community Development	46,590,565	47,818,609
City Capital Projects	-	35,840,507
Education Capital Projects	39,920,705	2,798,022
Non-Major Governmental Funds	84,458,516	115,118,718
	<u>\$ 335,496,471</u>	<u>\$ 335,496,471</u>

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

The outstanding balances between funds results mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

H. Capital Assets

Changes in the City's capital assets are as follows:

Class	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Capital Assets, not being depreciated:				
Land	\$ 24,517,166	\$ -	\$ -	\$ 24,517,166
Construction-in-progress	46,357,869	11,107,179	30,617,149	26,847,899
Total Capital Assets, not being depreciated	<u>\$ 70,875,035</u>	<u>\$ 11,107,179</u>	<u>\$ 30,617,149</u>	<u>\$ 51,365,065</u>
Capital assets, being depreciated:				
Buildings and Improvements	\$ 490,118,736	\$ 43,052,745	\$ 378,052	\$ 532,793,429
Machinery and Equipment	120,633,112	8,217,439	629,588	128,220,963
Infrastructure	207,048,448	17,398,037	-	224,446,485
Total Capital Assets, being depreciated	<u>817,800,296</u>	<u>68,668,221</u>	<u>1,007,640</u>	<u>885,460,877</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	171,275,538	12,204,117	185,245	183,294,410
Machinery and Equipment	93,068,234	6,656,251	629,588	99,094,897
Infrastructure	42,678,650	5,984,229	-	48,662,879
Total Accumulated Depreciation	<u>307,022,422</u>	<u>24,844,597</u>	<u>814,833</u>	<u>331,052,186</u>
Total Capital Assets, being depreciated, net	<u>510,777,874</u>	<u>43,823,624</u>	<u>192,807</u>	<u>554,408,691</u>
Capital Assets, net	<u>\$ 581,652,909</u>	<u>\$ 54,930,803</u>	<u>\$ 30,809,956</u>	<u>\$ 605,773,756</u>

Depreciation expense was charged to City functions and programs as follows:

Governmental Activities:	
General Government Support	\$ 7,087,283
Education	7,878,268
Public Safety	2,526,019
Transportation	207,794
Culture and Recreation	4,645,362
Home and Community Services	<u>2,499,871</u>
Total Depreciation Expense	<u>\$ 24,844,597</u>

Note 3 - Detailed Notes on All Funds (Continued)**Net Investment in Capital Assets**

The City's net investment in capital assets at June 30, 2014 as reflected in the Statement of Net Position consists of the following:

Capital Assets, net		\$ 605,773,756
Less:		
Bonds Payable - Capital Construction	(433,215,544)	
Unamortized Premium on Bonds	(18,459,884)	
Bond Anticipation Notes Payable - Capital Construction	(14,086,900)	
Energy Performance Contract Payable	(8,423,000)	
Notes Payable	<u>(16,188,304)</u>	(490,373,632)
Plus:		
Unamortized Loss on Refunding Bonds	4,298,519	
Unexpended Bond Proceeds	<u>65,787,250</u>	<u>70,085,769</u>
		<u>\$ 185,485,893</u>

Capital Assets - Component Units

Changes in the capital assets of the YDWDC (component unit) were as follows:

Class	Balance January 1, 2013	Additions	Balance December 31, 2013
Capital Assets, not being depreciated - Land	<u>\$ 658,485</u>	<u>\$ -</u>	<u>\$ 658,485</u>
Capital Assets, being depreciated - Buildings and Improvements	\$ 1,841,198	\$ -	\$ 1,841,198
Less Accumulated Depreciation for - Buildings and Improvements	<u>748,631</u>	<u>55,633</u>	<u>804,264</u>
Total Capital Assets, being depreciated, net	<u>1,092,567</u>	<u>(55,633)</u>	<u>1,036,934</u>
Capital Assets, net	<u>\$ 1,751,052</u>	<u>\$ (55,633)</u>	<u>\$ 1,695,419</u>

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Changes in the capital assets of the YPDI (component unit) were as follows:

Class	Balance January 1, 2013	Additions	Balance December 31, 2013
Capital Assets, not being depreciated - Leasehold Improvements	\$ 11,014,025	\$ -	\$ 11,014,025
Less Accumulated Depreciation for - Leasehold Improvements	3,028,856	550,701	3,579,557
Capital Assets, net	<u>\$ 7,985,169</u>	<u>\$ 550,701</u>	<u>\$ 7,434,468</u>

I. Accrued Liabilities

Accrued liabilities at June 30, 2014 were as follows:

	Fund						Total Governmental
	General	Education	Education Special Aid	Community Development	Education Capital Projects	Non-Major Governmental	
Payroll and Employee Benefits	\$ 4,411,742	\$ 13,240,115	\$ 540,805	\$ -	\$ -	\$ 235,138	\$ 18,427,800
Tuition	-	5,348,239	-	-	-	-	5,348,239
Other	4,748,425	1,941,077	274,186	37,051	24,262	579,615	7,604,616
	<u>\$ 9,160,167</u>	<u>\$ 20,529,431</u>	<u>\$ 814,991</u>	<u>\$ 37,051</u>	<u>\$ 24,262</u>	<u>\$ 814,753</u>	<u>\$ 31,380,655</u>

J. Pension Plans

The City participates in the New York State and Local Employees' Retirement System ("ERS"), the New York State and Local Police and Fire Retirement System ("PFRS") and the New York State Teachers' Retirement System ("TRS") ("Systems"). These Systems are cost-sharing multiple-employer defined benefit pension plans. The Systems provide retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law and Education Law. The Systems issue publicly available financial reports that include financial statements and required supplementary information for the Systems. These reports may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224 and the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Funding Policy - The Systems are non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary, employees in tier 5 who also contribute 3% of their salary for ERS and 3.5% for TRS without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. Contributions to ERS and PFRS are certified by the State

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions to ERS and PFRS consist of a life insurance portion and regular pension contributions. Pursuant to Article 11 of Education Law, actuarial contributions are established annually for TRS by the New York State Teachers' Retirement Board. Contribution rates for the plans' year's ending in 2014 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	28.8%
	2 75I	26.2
	3 A14	21.0
	4 A15	21.0
	5 A15	16.9
	6 A15	11.4
PFRS	1 384E2	34.1
	2 384E1	33.8
	2 388	30.3
	3 384E	27.5
	5 384E	25.4
	6 384E	16.3
TRS	1 - 6	16.25

Contributions made or accrued to the Systems for the current and two preceding years were as follows:

	<u>ERS</u>	<u>PFRS</u>	<u>TRS</u>
2014	\$ 16,444,506	\$ 23,964,177	\$ 31,967,663
2013	12,619,075	25,998,948	26,255,893
2012	13,544,864	20,454,696	22,700,099

The ERS, PFRS and TRS contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

The current year ERS, PFRS and TRS contributions were charged to the following funds:

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>	<u>TRS</u>
General	\$ 8,404,577	\$ 23,964,177	\$ -
Education	7,205,964	-	29,380,401
Education Special Aid	100,301	-	2,587,262
Education School Lunch	643,664	-	-
Sewer	90,000	-	-
	<u>\$ 16,444,506</u>	<u>\$ 23,964,177</u>	<u>\$ 31,967,663</u>

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Prior to its participation in PFRS, the City had a pension plan covering firemen, policemen and their widows. It is the policy of the City to provide for payments to the beneficiaries of this plan out of current operations of the General Fund. The City is not required to pay benefits under this plan and the beneficiaries do not have a vested right to benefits. During the year ended June 30, 2014, \$71,050 was paid by the City.

K. Short-Term Non-Capital Borrowings

The schedule below details the changes in short-term non-capital borrowings. The borrowings consisted of notes issued in anticipation of the collection of State aid for the 2013-2014 fiscal year.

	Balance July 1, 2013	Issues	Redemptions	Balance June 30, 2014
Revenue Anticipation Notes				
General Fund	\$ -	\$ 40,000,000	\$ 40,000,000	\$ -
General Fund	-	42,000,000	42,000,000	-
General Fund	-	38,000,000	38,000,000	-
	<u>\$ -</u>	<u>\$ 120,000,000</u>	<u>\$ 120,000,000</u>	<u>\$ -</u>

The \$40 million revenue anticipation note was issued on December 3, 2013 and was redeemed on June 30, 2014 with interest at 1.32%. The \$42 million revenue anticipation note was issued on December 3, 2013 and was redeemed on April 1, 2014 with interest at 1.24%. The \$38 million revenue anticipation note was issued on April 1, 2014 and was redeemed on June 30, 2014 with interest at 1.24%. Interest expenditure/expense of \$590,510 was recorded in the fund financial statements in the General Fund and in the government-wide financial statements.

L. Short-Term Capital Borrowings

The schedule below details the changes in short-term capital borrowings.

Purpose	Year of Original Issue	Maturity Date	Interest Rate	Balance July 1, 2013	New Issues	Redemptions	Balance June 30, 2014
Bond Anticipation Notes:							
City Capital Projects Fund							
Various Capital Projects	2013	08/14	1.53 %	\$ -	\$ 8,881,000	\$ -	\$ 8,881,000
Education Capital Projects Fund							
Various Capital Projects	2013	08/14	1.53	-	5,205,900	-	5,205,900
				<u>\$ -</u>	<u>\$ 14,086,900</u>	<u>\$ -</u>	<u>\$ 14,086,900</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation

City of Yonkers, New York

Notes to Financial Statements (Continued) June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expense of \$196,582 was recorded in the government-wide financial statements.

M. Long-Term Liabilities

The following table summarizes changes in the City's long-term liabilities for the year ended June 30, 2014:

	Balance July 1, 2013	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2014	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Fund	\$ 295,472,299	\$ -	\$ 23,696,445	\$ 271,775,854	\$ 25,970,104
Education Fund	155,460,000	-	14,639,314	140,820,686	17,054,620
Water Fund	27,677,358	-	2,093,698	25,583,660	2,441,534
Sewer Fund	33,947,703	-	2,538,187	31,409,516	2,833,389
Public Library Fund	6,402,640	-	682,356	5,720,284	790,353
	518,960,000	-	43,650,000	475,310,000	49,090,000
Plus - Unamortized Premium on bonds	20,444,439	-	1,984,555	18,459,884	-
	539,404,439	-	45,634,555	493,769,884	49,090,000
Bond Anticipation Notes Payable	7,065,000	-	-	7,065,000	7,065,000
Notes Payable	17,690,456	-	1,502,152	16,188,304	1,494,063
Loan Payable	341,770	-	-	341,770	-
State Loan Payable	3,400,000	-	200,000	3,200,000	200,000
Energy Performance Contract Payable	-	8,423,000	-	8,423,000	842,300
Other Non-current Liabilities:					
Compensated Absences	47,175,819	1,297,218	4,718,000	43,755,037	4,380,000
Retirement Incentives and Other Pension Obligations	55,022,038	30,973,697	10,606,619	75,389,116	12,972,171
Claims Payable	65,543,922	31,226,874	18,373,321	78,397,475	28,164,064
Other Post Employment Benefit Obligations	631,182,816	166,410,515	47,867,743	749,725,588	-
Total Other Non-current Liabilities	798,924,595	229,908,304	81,565,683	947,267,216	45,516,235
Governmental Activities Long-Term Liabilities	\$ 1,366,826,260	\$ 238,331,304	\$ 128,902,390	\$ 1,476,255,174	\$ 104,207,598

City of Yonkers, New York

Notes to Financial Statements (Continued) June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

	Balance July 1, 2013	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2014	Due Within One Year
Component Units:					
Yonkers Downtown Waterfront Development Corporation - Loans:					
Primary Government	\$ 1,839,408	\$ -	\$ 248,317	\$ 1,591,091	\$ 286,965
Other	513,222	-	10,564	502,658	11,272
	2,352,630	-	258,881	2,093,749	298,237
Yonkers Economic Development Corporation - Loans - Other	2,629,000	-	-	2,629,000	-
Yonkers Pier Development, Inc. - Loans - Other	8,563,946	-	90,367	8,473,579	109,528
Component Units Long-Term Liabilities	<u>\$ 13,545,576</u>	<u>\$ -</u>	<u>\$ 349,248</u>	<u>\$ 13,196,328</u>	<u>\$ 407,765</u>

Each governmental fund's liability for compensated absences, retirement incentives and other pension obligations, claims payable and other postemployment benefit obligations are primarily liquidated by the General and Education Funds. The City's indebtedness for bonds, bond anticipation notes, loans, state loans and energy performance contract debt is satisfied by the City and Education Debt Service Funds, respectively, which are funded primarily by the General and Education Funds, respectively.

Bonds Payable

Bonds payable at June 30, 2014 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2014
Environmental Facilities Corporation	1998 D	\$ 5,000,000	April 2018	1.942-3.132 %	\$ 1,205,000
Public Improvements	2004 B	34,025,000	October 2014	4.0	2,635,000
Educational Facilities Improvements	2004 C	12,000,000	October 2014	3.75	915,000
Public Improvements	2004 E	30,405,000	December 2014	5.0	3,170,000
Educational Facilities Improvements	2004 F	11,800,000	December 2014	3.75	1,500,000
Refunding Bonds	2005 A	72,700,000	August 2019	5.0	47,470,000
Public Improvements	2005 B	78,420,000	August 2035	5.0	57,110,000
Public Improvements	2006 A	44,850,000	September 2031	3.9-5.0	36,595,000
Educational Facilities Improvements	2006 B	7,790,000	September 2023	4.25-4.5	5,230,000
Public Improvements	2007 A	33,685,000	May 2021	5.0	20,580,000
Educational Facilities Improvements	2007 B	15,190,000	May 2028	4.125-4.25	11,850,000
Public Improvements	2008 A	38,690,000	November 2020	3.125-5.0	24,795,000

City of Yonkers, New York

Notes to Financial Statements (Continued) June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2014
Educational Facilities Improvements Qualified Zone Academy Bonds -	2008 B	\$ 17,985,000	November 2030	3.0-5.0 %	\$ 15,050,000
Educational Facilities Improvements Qualified Zone Academy Bonds -	2008 C	14,164,000	December 2018	-	8,000,000
Educational Facilities Improvements	2009 A	13,836,000	December 2019	0.35	8,355,000
Public Improvements	2010 A	37,185,000	November 2024	2.0-5.0	28,680,000
Public Improvements	2011 A	85,575,000	October 2024	5.0	74,030,000
Public Improvements	2011 B	12,555,000	October 2027	3.0-5.0	11,355,000
Qualified School Construction Bonds - Educational Facilities Improvements	2011 C	15,000,000	December 2026	5.75	13,000,000
Refunding Bonds	2012 A	37,040,000	August 2030	2.0-4.0	35,470,000
Education Refunding Bonds	2012 B	12,110,000	July 2018	3.0	11,540,000
Public Improvements	2012 C	30,330,000	August 2026	2.0-4.0	30,185,000
Educational Facilities Improvements	2012 D	26,590,000	August 2025	3.0	26,590,000
					<u>\$ 475,310,000</u>

Interest expenditures of \$15,808,430 and \$5,703,002 were recorded in the fund financial statements in the City and Education Debt Service Funds, respectively. Interest expense of \$19,244,131 was recorded in the government-wide financial statements.

Bond Anticipation Notes Payable

The schedule below details the changes in long-term non-capital borrowings:

Purpose	Year of Original Issue	Maturity Date	Interest Rate	Balance July 1, 2013	New Issues	Redemptions	Balance June 30, 2014
Tax Certiorari	2013	8/14	1.53 %	<u>\$ 7,065,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,065,000</u>

The City, in August 2013, renewed a bond anticipation note for \$7,065,000 that was issued to finance tax certiorari payments. The note is due 12 months from the date of issuance but may be renewed up to five years pursuant to Local Finance Law, provided that stipulated annual reductions of principal are made. Interest expenditures of \$22,020 was recorded in the fund financial statements in the General Fund. Interest expense of \$108,684 was recorded in the government-wide financial statements for governmental activities.

The City, pursuant to FASB 6, has not recorded this liability in the fund financial statements since it has demonstrated an ability to consummate refinancing. The ability to consummate refinancing was evidenced by the renewal of the note on July 31, 2014. (See Note 6)

Note 3 - Detailed Notes on All Funds (Continued)

Notes Payable

The City, in 2003-04, entered into a contractual agreement to install energy saving equipment and/or to upgrade existing facilities at the City's skating rink to enhance performance. The terms of the contract provide for repayment over twenty years, with monthly installments of \$5,132 through January, 2024. Payments include interest at 0.86%. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the lease payment terms. The balance due at June 30, 2014 was \$561,543.

The City, in 2003-04, entered into a contractual agreement to upgrade existing facilities at the N-Valley Technology Center to enhance performance. The terms of the contract provide for repayment over twelve years, with monthly installments of \$19,017 through June 2015 and \$9,615 through December, 2016. Payments include interest at 0.84%. The balance due at June 30, 2014 was \$378,803.

The City, in 2008-09, entered into a contractual agreement to install energy saving equipment and/or to upgrade existing facilities at the City's Pier to enhance performance. The terms of the contract provide for repayment over fifteen years, with monthly installments of \$9,900 through March, 2024. Payments include interest at 0.84%. The balance due at June 30, 2014 was \$1,093,522.

During 2009, the School District entered into a contractual agreement for the acquisition of energy efficient equipment to assist the School District in reducing its ongoing energy costs. The terms of the agreement provide for annual installments in varying amounts from \$156,660 to \$943,580 including interest at 4.44%, through October, 2024. The balance due at June 30, 2014 was \$7,555,000.

During 2011, the School District entered into a contractual agreement to finance energy saving upgrades. The terms of the agreement provide for semi-annual installments in varying amounts from \$310,515 to \$443,505 including interest at 3.77%, through February, 2024. The balance due at June 30, 2014 was \$6,599,436.

Interest expenditures of \$19,134 and \$622,984 were recorded in the fund financial statements in the City Debt Service Fund and the Education Fund, respectively. Interest expense of \$618,211 was recorded in the government-wide financial statements.

Loan Payable

The Community Development Agency ("Agency") has a loan payable to a bank in the amount of \$341,770 which bears interest at 2.16%. The proceeds have been deposited into a restricted cash account. These borrowings were used to fund an interest reserve such that the Agency would pledge the proceeds of the loan as a collateral device for the obligations of the Agency to cover any shortfalls in debt service costs associated with a financial assistance agreement with the YEDC (component unit). The interest costs, representing an amount equal to 2% over interest earnings on the restricted cash proceeds held on deposit, were \$7,485 and were recorded in the fund financial statements in the Community Development Fund and in the government-wide financial statements. The loan is secured by a second lien leasehold mortgage and security agreement along with a second lien assignment of leases and rents on a ground lease on property located in the City. The note matures in August 2023.

Note 3 - Detailed Notes on All Funds (Continued)

The Agency also guaranteed a \$14,000,000 New Market Tax Credit ("NMTC") transaction for the construction of the Yonkers Larkin Garage. The NMTC transaction required seven years (28 quarterly interest only payments of \$54,320). The first six payments were made directly by Yonkers Larkin Garage, Inc. (a private not for profit entity not controlled by the City)("YLGI") during the construction of the garage. Since its opening in early 2013, the garage has failed to achieve profitability and is incapable of servicing this debt. The Agency has received a quarterly payment demand from YLGI and Solomon Hess (the administrative agent for the NMTC transaction). As a result, there were five quarterly payments made by the Agency during the fiscal year ended June 30, 2014. Interest expense/expenditures of \$271,600 were recorded in the fund financial statements in the Community Development Fund and in the government-wide financial statements.

State Loan Payable

The State of New York, pursuant to Chapter 88 of the Laws of 2000, accelerated \$6 million of Education State aid during the 1999-2000 fiscal year. In each of the subsequent 30 years, the aid formula enumerated in the statutes will reduce the accelerated portion by \$200,000 per year. This loan is interest free. Accordingly, at June 30, 2014, the City has recorded a liability of \$3,200,000.

The provisions of the statute also require the School District's chief fiscal officer to monitor all budgets and prepare a quarterly report depicting revenue and expenditure trends. The reports require recommended remedial action by the Superintendent, if necessary, to resolve any unfavorable budget variances. The reports are to be submitted within sixty days after the end of the quarter to the Board of Education, the State Division of the Budget, the State Comptroller, the Commissioner of Education, the Chairman of the Assembly Ways and Means Committee and the Chairman of the Senate Finance Committee.

Energy Performance Contract Payable

The City, during the current fiscal year, entered into a \$8,423,000 contractual agreement to install energy saving street lights. The terms of the agreement provide for ten annual payments of \$842,300 at no interest through July 2024. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the payment terms. The balance due at June 30, 2014 was \$8,423,000.

Payments to Maturity

The annual requirements to amortize all bonded debt, notes and State loans outstanding as of June 30, 2014, including interest payments of \$140,900,335 are as follows:

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Year Ending June 30,	Bonds		Bond Anticipation Note		Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 49,090,000	\$ 19,348,441	\$ 7,065,000	\$ 108,095	\$ 1,494,063	\$ 595,359
2016	49,270,000	17,392,749	-	-	1,448,563	546,584
2017	49,305,000	15,437,280	-	-	1,435,063	495,841
2018	46,060,000	13,541,380	-	-	1,466,180	443,305
2019	46,315,000	11,634,985	-	-	1,532,646	388,038
2020-2024	128,930,000	37,975,559	-	-	8,661,789	1,007,339
2025-2029	66,090,000	15,722,265	-	-	150,000	6,660
2030-2034	30,730,000	5,700,635	-	-	-	-
2035-2036	9,520,000	482,000	-	-	-	-
	<u>\$ 475,310,000</u>	<u>\$ 137,235,294</u>	<u>\$ 7,065,000</u>	<u>\$ 108,095</u>	<u>\$ 16,188,304</u>	<u>\$ 3,483,126</u>

Year Ending June 30,	Loans		State Loan Principal	Energy Performance Contract Principal	Total	
	Principal	Interest			Principal	Interest
2015	\$ -	\$ 7,382	\$ 200,000	\$ 842,300	\$ 58,691,363	\$ 20,059,277
2016	-	7,382	200,000	842,300	51,760,863	17,946,715
2017	-	7,382	200,000	842,300	51,782,363	15,940,503
2018	-	7,382	200,000	842,300	48,568,480	13,992,067
2019	-	7,382	200,000	842,300	48,889,946	12,030,405
2020-2024	341,770	36,910	1,000,000	4,211,500	143,145,059	39,019,808
2025-2029	-	-	1,000,000	-	67,240,000	15,728,925
2030-2034	-	-	200,000	-	30,930,000	5,700,635
2035-2036	-	-	-	-	9,520,000	482,000
	<u>\$ 341,770</u>	<u>\$ 73,820</u>	<u>\$ 3,200,000</u>	<u>\$ 8,423,000</u>	<u>\$ 510,528,074</u>	<u>\$ 140,900,335</u>

The above general obligation bonds, bond anticipation notes, notes, loans, State loans and energy performance contract debt are direct obligations of the City for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the City.

Prior Year Defeasance

In the prior year, the City defeased serial bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. As of June 30, 2014, the total defeased bonds outstanding were \$16,515,000.

Compensated Absences

City employees earn vacation leave based upon the terms of the respective collective bargaining agreements. Vacation leave is accumulated monthly and is payable upon termination. The maximum accumulation is dependent upon length of service and varies with each agreement. City employees, with at least 20 years of service to the City, are entitled to terminal leave upon retirement. Eligible employees receive one and one-half day's pay for each year of service to the City. Accumulated sick and personal leave lapses when employees leave the employ of the City and, upon separation of service, no monetary obligation exists. However, certain employees of the School District, upon separation of service, are compensated for unused sick days accumulated in the 1988-89 fiscal year. Additionally, certain School District employees with at least 20 years of service to the School District are entitled to receive payment for accumulated unused sick days

Note 3 - Detailed Notes on All Funds (Continued)

upon retirement. The value of the compensated absences has been reflected in the government-wide financial statements.

Retirement Incentives and Other Pension Obligations

The ERS and PFRS charges to participating governments increased significantly in 2003. Consequently, the State Legislature enacted legislation in 2003 and 2004 that authorized local governments to amortize a portion of their respective contributions due in 2004, 2005 and 2006 and pay each of these obligations over a ten year period with interest at 5% per annum. The City and School District elected to amortize the maximum allowable ERS and PFRS contributions for each respective year as noted in the table below.

In June 2010, the City and Board of Education approved a workforce reduction plan. An integral part of the plan was the adoption of Parts A and B of the 2010 Retirement Incentive Program offered by ERS, PFRS and TRS. Part A of the program provided eligible employees one month of additional service credit for each year of service up to 36 months. Part B of the program provided for no age reduction if the employees were at least age 55 with 25 years or more years of service credit. Participating employers were not required to eliminate vacated positions provided they could demonstrate, over a two year period, savings of at least one-half of the base salary of the retiring employee. The estimated cost of the program was to be approximately 60% of the employee's final average salary. Payments are being made over a five year period with interest at 7.5%. The current year cost and balance due are noted in the table below.

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their respective ERS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The City and the School District have elected to amortize the maximum allowable ERS contribution in each of the fiscal years since this option was first offered which is outlined in the table below.

Chapter 57 of the Laws of 2013, Part BB, authorized local governments, at their option, to amortize a portion of their respective TRS contributions beginning in 2014. Stabilization rates will continue through 2020. The deferred contribution for years one through five will be amortized over a five-year period, with payments beginning in year six. Interest on deferred amounts will be based on the monthly average yield on 10-year U.S. Treasury securities for the twelve month period that precedes August 1 of the applicable deferred year, plus 1%. The School District has elected to amortize the maximum allowable TRS contribution for 2014 as noted in the table below.

Interest expenditures of \$263,984 were recorded in the fund financial statements in the Education Debt Service Fund. Interest expense of \$201,910 was recorded in the government-wide financial statements.

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

	Original Amount Amortized	Current Year Payments	Balance Due	Due Within One Year
2004-2005 ERS	\$ 5,418,285	\$ 697,425	\$ 668,277	\$ 668,277
2004-2005 PFRS	12,442,380	1,611,346	1,534,614	1,534,614
2005-2006 ERS	837,201	108,128	199,449	98,674
2005-2006 PFRS	8,385,668	1,085,982	1,980,345	991,043
2006-2007 PFRS	9,051,881	1,165,133	3,192,355	1,012,642
2010-2011 ERS	1,584,724	203,980	1,187,531	145,852
2010-2011 PFRS	2,947,725	379,423	2,208,912	271,298
2010-2011 ERS Incentive	6,954,333	1,657,870	2,992,480	1,442,159
2010-2011 TRS Incentive	11,071,749	2,823,472	5,067,462	2,436,280
2011-2012 ERS	4,343,262	526,415	3,597,600	393,931
2011-2012 PFRS	6,050,195	733,298	5,011,482	548,749
2012-2013 ERS	8,517,368	996,712	7,774,394	765,263
2012-2013 PFRS	9,860,670	1,155,972	9,000,519	885,956
2013-2014 ERS	10,737,043	-	10,737,043	724,467
2013-2014 PFRS	15,605,577	-	15,605,577	1,052,966
2013-2014 TRS	4,631,076	-	4,631,076	-
	<u>\$ 118,439,137</u>	<u>\$ 13,145,156</u>	<u>\$ 75,389,116</u>	<u>\$ 12,972,171</u>

The current year payments were charged to retirement expenditures in the funds identified below:

Fund	TRS	ERS	PFRS	Total
General Fund	\$ -	\$ 2,286,793	\$ 6,131,154	\$ 8,417,947
Education Fund	2,823,472	696,945	-	3,520,417
Education Debt Service Fund	-	1,206,792	-	1,206,792
	<u>\$ 2,823,472</u>	<u>\$ 4,190,530</u>	<u>\$ 6,131,154</u>	<u>\$ 13,145,156</u>

Claims Payable

The government-wide financial statements reflects general and workers' compensation liabilities which are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported (IBNR's). The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for

Note 3 - Detailed Notes on All Funds (Continued)

inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of the activity of unpaid claim liabilities is as follows:

	Year Ended June 30, 2014		Year Ended June 30, 2013	
	General Liability	Workers' Compensation	General Liability	Workers' Compensation
Balance - Beginning of Year	\$ 26,991,000	\$ 19,771,000	\$ 28,505,000	\$ 19,483,000
Provision for Claims and Claims Adjustment Expenses	2,372,611	14,561,768	1,399,357	10,861,153
Claims and Claims Adjustment Expenses Paid	(1,858,611)	(11,414,768)	(2,913,357)	(10,573,153)
Balance - End of Year	<u>\$ 27,505,000</u>	<u>\$ 22,918,000</u>	<u>\$ 26,991,000</u>	<u>\$ 19,771,000</u>
Due Within One Year	<u>\$ 1,858,611</u>	<u>\$ 11,414,768</u>	<u>\$ 2,913,357</u>	<u>\$ 10,573,153</u>

Claims payable also includes a liability of \$8,770,000 for court ordered tax certiorari refunds which were not due and payable at year end, \$2,491,525 for a settlement reached between the School District and Yonkers Federation of Teachers as a result of a salary arbitration claim against the School District and \$16,712,950 for settlements reached between the City and several bargaining units. These amounts have been recorded as an expense and liability in the government-wide financial statements.

Other Post Employment Benefit Obligations

In addition to providing pension benefits, the City provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the City may vary according to length of service. The cost of providing post-employment health care benefits is shared between the City and the retired employee. Substantially all of the City's employees may become eligible for these benefits if they reach normal retirement age while working for the City. The cost of retiree health care benefits is recognized as an expenditure as claims are paid within the governmental funds. Separate financial statements are not issued for the plan.

The City's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 established standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing

Note 3 - Detailed Notes on All Funds (Continued)

basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The City is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed increase in postretirement benefits is as follows:

Year Ended June 30,	Healthcare Cost Trend Assumption	
	Pre-65	Post-65
2015	8.50 %	8.50 %
2016	8.00	8.00
2017	7.50	7.50
2018	7.00	7.00
2019	6.50	6.50
2020	6.00	6.00
2021	5.50	5.50
2022+	5.00	5.00

The amortization basis is the level dollar method with an open amortization approach with 23 years remaining in the amortization period. The actuarial assumptions include a 4% investment rate of return and a 4% inflation rate. The projected unit credit method was used to determine the actuarial value of the assets of the OPEB plan, however, the City currently has no assets set aside for the purpose of paying postemployment benefits.

The number of participants as of June 30, 2014 was as follows:

Active Employees	5,133
Retired Employees	3,961
	<u>9,094</u>

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component	
Actuarial Accrued Liability as of July 1, 2013	\$ 1,732,616,906
Assets at Market Value	-
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 1,732,616,906</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 467,981,953</u>
UAAL as a Percentage of Covered Payroll	<u>370.23%</u>
Annual Required Contribution	\$ 148,862,159
Interest on Net OPEB Obligation	25,247,312
Adjustment to Annual Required Contribution	<u>(7,698,956)</u>
Annual OPEB Cost	166,410,515
Contributions Made	<u>(47,867,743)</u>
Increase in Net OPEB Obligation	118,542,772
Net OPEB Obligation - Beginning of Year	<u>631,182,816</u>
Net OPEB Obligation - End of Year	<u>\$ 749,725,588</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and the two preceding years is as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 166,410,515	28.8 %	\$ 749,725,588
2013	156,519,570	29.6	631,182,816
2012	144,575,458	33.1	520,916,845

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

Component Unit - Loans

The YDWDC (component unit) has received loans from the Community Development Fund that have an outstanding balance of \$1,591,091 as of December 31, 2013. These loans have various due dates ranging from August 2016 through December 2019. The interest rates on these loans range from 1% to 5.99%, depending upon maturity.

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

The YDWDC (component unit) also has received a loan from Community Preservation Corporation that has an outstanding balance of \$502,658 as of December 31, 2013. This loan matures in May 2035. The interest rate on this loan is 6.5%.

The YEDC (component unit) has a loan payable to the bank which bears interest at prime plus 2% for the period from June 2011 through June 2018, at which time the rate will be fixed at 6.5% per annum. The loan is secured by a ground lease and a first lien mortgage on certain properties located in the City. Interest is due quarterly through the loan's maturity in June 2023, at which time the principal amount is due in its entirety. The principal balance outstanding at December 31, 2013 was \$2,629,000.

The YPDI (component unit) has entered into four lower tier notes with NDC New Markets Investments XXII, L.P. with aggregate principal obligations of \$7,289,840 at December 31, 2013. Interest only payments are required on a quarterly basis. Principal repayment will begin no earlier than April 1, 2015. The interest rates on three of the notes range from .5% to 1.055%, with interest on the fourth note calculated at the 3 month LIBOR rate plus 20 basis points. The loans have various due dates ranging from April 2027 through April 2043.

The YPDI (component unit) also has entered into a contractual agreement with the New York Power Authority to install energy saving equipment and/or upgrading existing facilities at the Pier. The terms of the loan provide for repayment over fifteen years in monthly installments of principal and interest. Interest is charged at .82%. The principal balance on this obligation at December 31, 2013 was \$1,183,739.

N. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without equivalent flows of assets in return. The interfund transfers reflected below have been reported as transfers.

Transfers Out	Transfers In				Total
	General	Education	Education Special Aid	Non-Major Governmental	
General	\$ -	\$ 227,996,844	\$ -	\$ 52,669,327	\$ 280,666,171
Education	-	-	4,129,575	19,011,211	23,140,786
Non-Major Governmental	8,650,732	-	-	8,345,653	16,996,385
	<u>\$ 8,650,732</u>	<u>\$ 227,996,844</u>	<u>\$ 4,129,575</u>	<u>\$ 80,026,191</u>	<u>\$ 320,803,342</u>

Transfers are used to 1) move funds from the General Fund to the Education Fund to provide local funding for the City's public school operations, 2) move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due and 3) move amounts earmarked in the operating funds to fulfill commitments for Special Aid and School Lunch funds expenditures.

Note 3 - Detailed Notes on All Funds (Continued)

O. Significant Commitments – Encumbrances

As discussed in Note 2,A, Budgetary Data, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2014, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund:	
General government support:	
Parking violations bureau - supplies	\$ 99,294
Management information services - rental of equipment	105,776
General services - wearing apparel and supplies	304,300
Vehicle maintenance - gasoline, diesel and other supplies	199,315
Special items - litigation costs	248,587
Other	358,573
Public safety:	
Police department - equipment and supplies	174,841
Fire department:	
Administration services	343,336
Apparel, supplies and equipment	65,425
Other	3,021
Housing and building department - equipment	553
Culture and recreation -	
Parks department - supplies and equipment	19,958
Home and community services:	
Sanitation - Refuse disposal equipment and supplies	85,611
Shade tree bureau - Outside labor	31,275
Other	9,949
Employee benefits -	
Contractual services	6,452
Total General Fund	2,056,266
Education Fund -	
Equipment, supplies and contractual services	2,284,648
Water Fund -	
Water department - equipment and supplies	143,256
Sewer Fund -	
Equipment and supplies	40,277
	<u>\$ 4,524,447</u>

Note 3 - Detailed Notes on All Funds (Continued)

P. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects less unexpended bond proceeds and unrestricted interest earnings.

Restricted for Special Purposes - the component of net position that reports the difference between assets and liabilities of certain programs with constraints placed on their use by either external parties and/or statute.

Restricted for Debt Service - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law.

Restricted for Community Development Projects - the component of net position that reports the difference between assets and liabilities of the Community Development Funds with constraints placed on their use by the United States Department of Housing and Urban Development.

Restricted for School Lunch - the component of net position that reports the difference between assets and liabilities in the School Lunch Fund.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Notes to Financial Statements (Continued)
June 30, 2014**Note 3 - Detailed Notes on All Funds (Continued)****Q. Fund Balance**

	2014					
	General Fund	Education Fund	Community Development Fund	City Capital Projects Fund	Education Capital Projects Fund	Non-Major Governmental Funds
						Total
Nonspendable:						
Notes receivable	\$ 10,600	\$ -	\$ -	\$ -	\$ -	\$ 10,600
Advances	2,600,229	1,020,487	-	-	-	3,620,716
Long-term receivables	933,000	-	2,600,229	-	-	3,533,229
Prepaid expenditures	-	-	124,299	-	-	124,299
Inventories	-	-	-	-	-	143,505
Total Nonspendable	3,543,829	1,020,487	2,724,528	-	-	7,432,349
Restricted:						
Debt service	-	-	-	-	-	1,660,134
Capital projects	-	-	-	23,244,432	29,692,536	52,936,968
Special purposes	-	-	-	-	-	890,304
Total Restricted	-	-	-	23,244,432	29,692,536	55,487,406
Assigned:						
Purchases on order:						
General government support	1,315,845	-	-	-	-	1,315,845
Public safety	587,176	-	-	-	-	587,176
Culture and recreation	19,958	-	-	-	-	19,958
Home and community services	126,835	-	-	-	-	270,091
Employee benefits	6,452	-	-	-	-	6,452
For subsequent year's expenditures:	2,056,266	-	-	-	-	2,199,522
General Fund	30,979,830	-	-	-	-	30,979,830
Water Fund	-	-	-	-	-	639,891
Community development purposes	-	-	3,064,388	-	-	3,064,388
Public library purposes	-	-	-	-	-	580,330
Water purposes	-	-	-	-	-	3,599,913
Total Assigned	33,036,096	-	3,064,388	-	-	41,063,874
Unassigned:						
Purchases on order:						
Education	-	2,284,648	-	-	-	2,284,648
Home and community services	-	-	-	-	-	40,277
General Fund	37,494,895	-	-	-	-	37,494,895
Education Fund	-	(40,754,451)	-	-	-	(40,754,451)
Sewer Fund	-	-	-	-	-	(449,392)
Total Unassigned	37,494,895	(38,469,803)	-	-	-	(1,384,023)
Total Fund Balances (Deficits)	\$ 74,074,820	\$ (37,449,316)	\$ 5,788,916	\$ 23,244,432	\$ 29,692,536	\$ 102,599,606

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

	2013					
	General Fund	Education Fund	Community Development Fund	City Capital Projects Fund	Education Capital Projects Fund	Non-Major Governmental Funds
						Total
Nonspendable:						
Notes receivable	\$ 10,600	\$ -	\$ -	\$ -	\$ -	\$ 10,600
Advances	2,730,129	-	-	-	-	2,730,129
Long-term receivables	1,723,957	-	2,730,129	-	-	4,454,086
Inventories	-	-	-	-	-	129,633
Total Nonspendable	4,454,686	-	2,730,129	-	-	7,324,448
Restricted:						
Debt service	-	-	-	-	-	1,546,610
Capital projects	-	-	-	50,567,945	43,761,064	94,329,009
Special purposes	-	-	-	-	-	1,029,933
Total Restricted	-	-	-	50,567,945	43,761,064	96,905,552
Assigned:						
Purchases on order:						
General government support	1,045,768	-	-	-	-	1,045,768
Education	-	8,437,221	-	-	-	8,437,221
Public safety	330,739	-	-	-	-	330,739
Transportation	302,812	-	-	-	-	302,812
Culture and recreation	27,829	-	-	-	-	27,829
Home and community services	98,276	-	-	-	-	98,276
Employee benefits	10,634	-	-	-	-	10,634
For subsequent year's expenditures:	1,816,058	8,437,221	-	-	-	10,783,896
General Fund	17,000,000	-	-	-	-	17,000,000
Education Fund	-	21,969,760	-	-	-	21,969,760
Water Fund	-	-	-	-	-	925,798
Education purposes	-	(15,784,972)	-	-	-	(15,784,972)
Community development purposes	-	-	1,226,031	-	-	1,226,031
Public library purposes	-	-	-	-	-	313,197
Water purposes	-	-	-	-	-	2,988,064
Sewer purposes	-	-	-	-	-	605,288
Total Assigned	18,816,058	14,622,009	1,226,031	-	-	40,027,062
Unassigned	31,597,978	-	-	-	-	31,428,169
Total Fund Balances	\$ 54,878,722	\$ 14,622,009	\$ 3,956,160	\$ 50,567,945	\$ 43,761,064	\$ 175,685,231

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements which are not reflected in the statement of net position but are reported in the governmental funds balance sheet are described below.

Notes Receivable has been classified as nonspendable to indicate that such funds do not represent "available" spendable resources even though they are a component of current assets.

Advances have been classified as restricted to indicate the long-term nature of funds advanced to the Community Development Fund and the Education Special Aid Fund. These funds do not represent "available spendable resources" even though they are a component of current assets.

Long-Term Receivables represents funds set aside to indicate the long-term nature of certain items in the General Fund and certain loans and state aid payments owed to the City in the Community Development Fund. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Prepaid Expenditures has been provided to account for certain payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Inventories in the School Lunch Fund have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities and the School District anticipates utilizing them in the normal course of operations.

Purchases on order are assigned and represent the City's intention to honor the contracts in process at year-end. The subsequent year's appropriations will be amended to provide authority to complete the transactions.

The Special Local Finance and Budget Act for the City provides that any operating surplus of prior years, not in excess of the amount of the aggregate fund balance of the various operating funds of the City as of the end of the previous fiscal year, can be included as a financing source in the preparation of the next budget. Similarly, any deficits created in the current year must be provided for in the next budget. Accordingly, at June 30, 2014, the City has assigned the above amounts to be appropriated for the ensuing year's budget.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The City, in common with other municipalities, receives numerous notices of claims for money damages arising generally from false arrest and imprisonment, malicious prosecution, personal injury and breach of civil rights. The filing of such claims commences a statutory period for initiating judicial action. The City is self-insured with respect to most tort matters and, in the opinion of the City's Corporation Counsel, any resulting exposure in these cases would be funded through the issuance of indebtedness and would not have an adverse impact on the City's current financial condition.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

Several employment discrimination and harassment claims have been filed against the School Board. The cases are in various stages and are either awaiting trial or judgment. The School District's insurance carrier for its school leaders errors and omissions policy has been notified of these cases. Counsel is unable to estimate damages, if any, at this time.

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the City if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

B. Contingencies

In 1979, the City entered into a Consent Order with the New York State Department of Environmental Conservation ("NYSDEC") to remediate the Austin Avenue landfill site. In December 2004, the City Council approved a plan that would allow the City's Industrial Development Agency ("IDA"), through the NYSDEC's Brownfield Remediation and Empire Zone Program, to issue bonds to pay for the remediation of the landfill site. The IDA bonds would be repaid from the annual proceeds of a supplemental payments in lieu of tax ("PILOT") agreement from a local developer, who owns the property adjacent to the landfill site. The City Council has waived the City's right to the receipt of the supplemental PILOT payments in order to pledge those receipts to the repayment of the IDA bonds and/or to use the proceeds directly for remediation. The City Council further agreed that, based on the City's obligation under the Consent Order, the City will pay any shortfalls for costs of environmental remediation in excess of amounts available from the supplemental PILOT payment.

Remediation efforts have been completed with all physical work required by NYSDEC in the approved Remedial Action Plan having been done in early 2011. As of December 2013, all bills related to this work were paid and YIDA's dedicated account for the Austin Avenue remediation held a balance of \$21,593 to pay final legal bills, insurance costs and NYSDEC fees in 2014.

C. Risk Management

Property and Casualty Claims/Public Officials Liability

The City purchases conventional property and casualty insurance to reduce its exposure to loss from damage or fire to City owned properties. The City also purchases conventional insurance coverage for public officials liability. The current policy reflects a limit of \$250,000. Settled claims resulting from those risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Unemployment Benefits

The City is self-insured for claims arising from unemployment benefit cases. Incurred but not reported claims are not material.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

Workers' Compensation and Liability Claims

The City is currently self-insured for general, auto, police and fire liability and workers' compensation claims. Conventional insurance is not purchased for catastrophic losses.

Health Benefits

The City purchases conventional health insurance coverage for all full-time City and Board of Education employees and retirees.

D. Compliance with Grant Requirements

The City and the Board of Education participate in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Single Audit Act. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although City and Board of Education management anticipate such amounts, if any, to be immaterial.

The Board of Education is subject to audits of State aid by the New York State Education Department. The amount of aid previously paid which may be disallowed cannot be determined at this time, although the Board of Education anticipates such amounts, if any, to be immaterial.

Note 5 - Other Matters

The overestimation of State aid in the aggregate amount of \$55,000,000 by the Board of Education in its 2012-13 and 2013-14 budgets depleted the School District's fund balance. The City requested assistance from the State to help mitigate the deficit for 2013-14 and the projected budgetary deficit for 2014-15. In response, the State enacted special legislation in connection with the adoption of the State budget on or about April 1, 2014, entitled Chapter 55 of the Laws of 2014, known as the "Yonkers City School District Deficit Financing Act" ("Deficit Financing Act"). The Deficit Financing Act contains two sub-parts and two subdivisions within each sub-part each containing separate "severability" clauses. Sub-part A of the Deficit Financing Act authorizes the City to issue bonds in the principal amount of not to exceed \$45,000,000 for the purpose of liquidating the deficit in the General Fund of the School District for 2013-14. Sub-part B of the Deficit Financing Act, authorizes an additional provision of \$28,000,000 in grant funds from the State to the City. This one-time grant by the State is intended to (a) reduce the operating deficit of the School District and (b) enable the City to minimize the impact of the School District's budget shortfall on the educational function of the School District. In order to receive the funding from the State, the City and the School District were required to enter into an inter-municipal agreement, which provides for the City to impose specific financial, operational and/or supervisory controls over the School District. The execution of the inter-municipal agreement (the "IMA") was approved by the Board of Trustees of the School District and the City Council at separate meetings duly held on June 10, 2014. The IMA became effective on June 30, 2014. The IMA continues in perpetuity from the date of execution. The IMA requires that the City assume all School District finance and budget functions in consultation with the Superintendent of Schools and the Board of Trustees. Additionally, the IMA gives the City the authority to consult on all labor contracts. The IMA also gives the City, in consultation with the Superintendent of Schools and the Board of Trustees, the authority to supervise non-academic operational functions of the School District, as described in the Deficit Financing Act and the IMA. Pursuant to the IMA, in connection with the adoption of its 2014-2015 budget,

City of Yonkers, New York

Notes to Financial Statements (Concluded)
June 30, 2014

Note 5 - Other Matters (Continued)

the City immediately absorbed the operations and expenses of various School District administrative functions. In addition, in accordance with the Deficit Financing Act, the IMA grants the authority to create, abolish, maintain and consolidate all positions in the non-academic operational functions described in the IMA. The School District retains the authority to create, abolish, maintain or consolidate positions which have a nexus to the academic activities of the School District, which do not fall within the scope of the finance and the budget functions and non-academic operational functions discussed in the IMA. Lastly, the Deficit Financing Act and the IMA authorize the City to implement a schedule of public hearings on the School District's budget, which must be held at least quarterly and must be held in consultation with the Superintendent of Schools and the Board of Trustees.

Note 6 - Subsequent Events

The City, in July 2014, issued \$20,510,900 in bond anticipation notes. Of this amount, \$6,424,000 was used to renew a previously issued bond anticipation note for tax certiorari obligations and \$14,086,900 was used to renew previously issued bond anticipation note for various City and Board of Education capital projects. The bond anticipation notes mature on July 31, 2015 with interest at 0.71%.

The City, in October 2014, issued \$118,315,000 in serial bonds. Of this amount, \$61,785,000 was used to advance refund previously issued serial bonds and \$56,530,000 was used as a new money source for various City and Board of Education capital projects. The bonds mature annually through 2031 with interest at rates ranging from 2% to 5%, depending on maturity.

City of Yonkers, New York

Required Supplementary Information - Schedule of Funding Progress
Other Post Employment Benefits
Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
July 1, 2011	\$ -	\$ 1,602,018,834	\$ 1,602,018,834	- %	\$ 463,562,310	345.59 %
July 1, 2012	-	1,670,054,130	1,670,054,130	-	460,408,805	362.73
July 1, 2013	-	1,732,616,906	1,732,616,906	-	467,981,953	370.23

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund constitutes the primary operating fund of the City and is used to account for and report all financial resources not accounted for and reported in another fund.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

- **Education Fund** - The Education Fund is used to account for the operation of the Yonkers City School District in accordance with the Education Law of the State of New York.
- **Education Special Aid Fund** - The Education Special Aid Fund is used to account for special projects or programs of the School District which are supported in whole or in part with Federal, State or local funds.
- **Community Development Fund** - The Community Development Fund is used to record the operations of the Federal grant programs operated by the City's Community Development Agency.

CAPITAL PROJECTS FUNDS

- **City Capital Projects Fund** - The City Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets for City purposes.
- **Education Capital Projects Fund** - The Education Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlay, including the acquisition or construction of major capital facilities and other capital assets for School District purposes.

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City of Yonkers, New York

General Fund
Comparative Balance Sheet
June 30,

	2014	2013
ASSETS		
Cash and equivalents	\$ -	\$ 45,175,003
Investments	33,495,326	32,519,022
Property taxes receivable		
City	22,469,622	28,355,752
County	4,067,555	4,555,721
Tax sale certificates	3,761,824	3,984,745
Property acquired for taxes	3,761,047	3,761,047
	34,060,048	40,657,265
Allowance for uncollectible taxes	(19,515,982)	(21,328,974)
	14,544,066	19,328,291
Other receivables		
Income taxes	2,869,133	886,850
Accounts, net of allowance for uncollectible amounts of \$390,707 in 2014 and 2013	6,918,114	8,767,100
State and Federal aid	20,912,097	23,640,743
Due from other funds	93,250,742	45,493,159
Advances to other funds	2,600,229	2,730,129
Notes	10,600	10,600
Loans	509,062	517,364
	127,069,977	82,045,945
Total Assets	\$ 175,109,369	\$ 179,068,261
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 21,591,941	\$ 53,168,329
Accrued liabilities	9,160,167	8,535,510
County taxes payable	29,803,859	33,234,716
Employee payroll deductions	453,931	585,543
Due to other funds	14,898,854	-
Unearned revenues	1,653,987	4,385,688
Due to retirement systems	6,707,881	7,920,126
Total Liabilities	84,270,620	107,829,912
Deferred inflows of resources		
Deferred tax revenues	12,621,789	16,359,627
Taxes collected in advance	4,142,140	-
Total Deferred Inflows of Resources	16,763,929	16,359,627
Total Liabilities and Deferred Inflows of Resources	101,034,549	124,189,539
Fund balance		
Nonspendable	3,543,829	4,464,686
Assigned	33,036,096	18,816,058
Unassigned	37,494,895	31,597,978
Total Fund Balance	74,074,820	54,878,722
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 175,109,369	\$ 179,068,261

City of Yonkers, New York

General Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 302,570,175	\$ 302,570,175	\$ 306,231,052	\$ 3,660,877
Other tax items	66,318,027	66,318,027	72,593,517	6,275,490
Non-property taxes	121,466,391	121,466,391	125,049,902	3,583,511
Departmental income	26,452,813	26,452,813	29,688,640	3,235,827
Use of money and property	702,185	702,185	570,423	(131,762)
Sale of property and compensation for loss	300,000	300,000	2,210,391	1,910,391
State aid	114,171,064	114,171,064	113,935,572	(235,492)
Federal aid	1,840,293	1,840,293	2,648,482	808,189
Miscellaneous	1,836,530	1,836,530	6,995,483	5,158,953
Total Revenues	635,657,478	635,657,478	659,923,462	24,265,984
EXPENDITURES				
Current				
General government support	79,831,204	80,034,188	72,735,309	7,298,879
Public safety	139,776,849	139,888,822	140,976,674	(1,087,852)
Transportation	1,610,031	1,912,812	2,771,060	(858,248)
Culture and recreation	8,134,595	8,140,174	7,963,752	176,422
Home and community services	25,090,425	24,868,563	23,816,712	1,051,851
Employee benefits	126,633,732	126,232,277	119,835,888	6,396,389
Debt service				
Interest	1,500,000	1,500,000	612,530	887,470
Total Expenditures	382,576,836	382,576,836	368,711,925	13,864,911
Excess of Revenues Over Expenditures	253,080,642	253,080,642	291,211,537	38,130,895
OTHER FINANCING SOURCES (USES)				
Bond anticipation notes issued	-	-	-	-
Transfers in	8,650,732	8,650,732	8,650,732	-
Transfers out	(280,547,432)	(280,547,432)	(280,666,171)	(118,739)
Total Other Financing Uses	(271,896,700)	(271,896,700)	(272,015,439)	(118,739)
Net Change in Fund Balance	(18,816,058)	(18,816,058)	19,196,098	38,012,156
FUND BALANCE				
Beginning of Year	18,816,058	18,816,058	54,878,722	36,062,664
End of Year	\$ -	\$ -	\$ 74,074,820	\$ 74,074,820

2013			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 301,916,360	\$ 301,916,360	\$ 305,492,125	\$ 3,575,765
61,252,089	61,252,089	69,650,917	8,398,828
113,940,799	113,940,799	120,189,039	6,248,240
27,934,032	27,934,032	27,305,129	(628,903)
847,339	847,339	672,850	(174,489)
423,960	423,960	258,202	(165,758)
114,431,663	114,431,663	115,955,121	1,523,458
1,559,499	1,559,499	5,884,533	4,325,034
2,245,639	2,245,639	2,682,667	437,028
624,551,380	624,551,380	648,090,583	23,539,203
77,634,476	84,175,297	78,047,611	6,127,686
134,682,192	134,685,410	138,874,949	(4,189,539)
1,565,148	1,565,148	1,005,669	559,479
7,595,396	7,670,397	7,398,307	272,090
25,184,740	25,630,698	24,222,361	1,408,337
117,698,607	117,698,609	115,575,282	2,123,327
1,800,000	1,800,000	632,887	1,167,113
366,160,559	373,225,559	365,757,066	7,468,493
258,390,821	251,325,821	282,333,517	31,007,696
-	7,065,000	7,065,000	-
7,895,324	7,895,324	7,895,324	-
(277,111,724)	(277,111,724)	(277,230,428)	(118,704)
(269,216,400)	(262,151,400)	(262,270,104)	(118,704)
(10,825,579)	(10,825,579)	20,063,413	30,888,992
10,825,579	10,825,579	34,815,309	23,989,730
\$ -	\$ -	\$ 54,878,722	\$ 54,878,722

City of Yonkers, New York

General Fund

**Schedule of Revenues and Other Financing Sources Compared to Budget
Year Ended June 30, 2014
(With Comparative Actuals for 2013)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
REAL PROPERTY TAXES	\$ 302,570,175	\$ 302,570,175	\$ 306,231,052	\$ 3,660,877	\$ 305,492,125
OTHER TAX ITEMS					
Interest and penalties on real property taxes	3,540,906	3,540,906	5,015,309	1,474,403	6,106,449
Gain on sale of tax acquired property	-	-	1,728,030	1,728,030	-
Payments in lieu of taxes	16,885,270	16,885,270	18,053,651	1,168,381	16,732,105
Real estate transfer taxes	6,225,359	6,225,359	8,421,419	2,196,060	8,214,053
School tax relief reimbursement	38,848,267	38,848,267	38,848,267	-	37,996,846
Supplemental real estate taxes	818,225	818,225	526,841	(291,384)	601,464
	66,318,027	66,318,027	72,593,517	6,275,490	69,650,917
NON-PROPERTY TAXES					
Income taxes	40,411,482	40,411,482	41,299,335	887,853	39,894,575
Sales and use taxes	69,766,454	69,766,454	70,395,766	629,312	68,321,466
Off-track betting surcharge	290,000	290,000	225,748	(64,252)	253,881
Raceway admissions taxes	39,000	39,000	32,702	(6,298)	31,339
Raceway impact fees	1,000,000	1,000,000	2,403,000	1,403,000	1,728,790
Utilities gross receipts taxes	7,163,278	7,163,278	8,019,366	856,088	7,202,223
Cable television franchise fees	2,796,177	2,796,177	2,673,985	(122,192)	2,756,765
	121,466,391	121,466,391	125,049,902	3,583,511	120,189,039
DEPARTMENTAL INCOME					
Executive	40,000	40,000	143,063	103,063	64,082
Development	3,621,589	3,621,589	3,737,346	115,757	4,102,335
Engineering	610,000	610,000	578,196	(31,804)	321,912
Consumer protection	619,000	619,000	757,137	138,137	660,733
Finance	60,000	60,000	127,499	67,499	90,731
Parking Violations Bureau/Courts	15,222,218	15,222,218	17,029,958	1,807,740	14,445,736
Civil service fees	57,000	57,000	152,791	95,791	-
Legislative	243,550	243,550	236,491	(7,059)	211,170
Parks, recreation and conservation	2,432,101	2,432,101	2,566,032	133,931	2,582,072
Police and fire	2,243,300	2,243,300	2,992,808	749,508	3,243,683
Public works	500,000	500,000	535,681	35,681	680,425
County prisoner processing	329,570	329,570	354,893	25,323	426,952
Maintenance of State and County roads	474,485	474,485	476,745	2,260	475,298
	26,452,813	26,452,813	29,688,640	3,235,827	27,305,129

USE OF MONEY AND PROPERTY

Earnings on investments	256,190	256,190	127,257	(128,933)	224,682
Rental of real property	445,995	445,995	443,166	(2,829)	448,168
	702,185	702,185	570,423	(131,762)	672,850

SALE OF PROPERTY AND COMPENSATION**FOR LOSS**

Sale of real property	300,000	300,000	2,210,391	1,910,391	258,202
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STATE AID

Aid and incentives to municipalities	108,215,500	108,215,500	108,215,500	-	109,577,174
Court reimbursements	440,000	440,000	417,609	(22,391)	525,893
Mortgage tax	5,441,294	5,441,294	4,850,079	(591,215)	5,158,021
Community mental health	61,770	61,770	150,080	88,310	167,059
Emergency Management Assistance	-	-	289,511	289,511	513,992
Veteran's services	12,500	12,500	12,793	293	12,982

FEDERAL AID

Emergency Management Assistance	114,171,064	114,171,064	113,935,572	(235,492)	115,955,121
SAFER Grant	-	-	473,762	473,762	4,670,853
Project Safe Neighborhoods Grant	1,285,200	1,285,200	1,591,672	306,472	813,965
Civil defense	533,643	533,643	583,048	49,405	399,715
	21,450	21,450	-	(21,450)	-

MISCELLANEOUS

Refunds of prior year's expenditures	1,840,293	1,840,293	2,648,482	808,189	5,884,533
Other	-	-	4,653,770	4,653,770	859,144
	1,836,530	1,836,530	2,341,713	505,183	1,823,523
	1,836,530	1,836,530	6,995,483	5,158,953	2,682,667
TOTAL REVENUES	635,657,478	635,657,478	659,923,462	24,265,984	648,090,583

OTHER FINANCING SOURCES

Bond anticipation notes issued	-	-	-	-	7,065,000
Transfers in - Water Fund	8,650,732	8,650,732	8,650,732	-	7,895,324

TOTAL OTHER FINANCING SOURCES

	8,650,732	8,650,732	8,650,732	-	14,960,324
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TOTAL REVENUES AND**OTHER FINANCING SOURCES**

	\$ 644,308,210	\$ 644,308,210	\$ 668,574,194	\$ 24,265,984	\$ 663,050,907
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City of Yonkers, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2014
(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
GENERAL GOVERNMENT SUPPORT					
Legislative					
City Council					
President of City Council	\$ 925,820	\$ 916,248	\$ 835,853	\$ 80,395	\$ 865,866
City Clerk	647,506	633,884	614,399	19,485	609,882
Elections	619,721	659,721	527,268	132,453	484,840
	389,490	462,490	324,918	137,572	320,561
Executive	2,582,537	2,672,343	2,302,438	369,905	2,281,149
Mayor	773,563	769,477	744,412	25,065	736,393
Constituent and veteran's services	1,003,048	1,003,057	843,944	159,113	732,749
Personnel and labor relations	2,662,526	2,638,551	2,064,204	574,347	2,027,130
Public and community affairs	436,719	428,236	349,189	79,047	354,128
Fiscal services	4,875,856	4,839,321	4,001,749	837,572	3,850,400
Comptroller	2,323,803	2,324,487	2,088,968	235,519	2,006,331
Budget	451,276	456,184	447,886	8,298	339,039
Parking Violations Bureau	5,554,231	5,672,374	5,088,799	583,575	3,214,307
Assessment	1,001,224	1,001,224	915,499	85,725	947,622
Office of Licensing	334,334	334,216	315,836	18,380	330,168
Inspector General	412,742	421,535	385,114	36,421	344,222
Staff Administrative and Advisory	10,077,610	10,210,020	9,242,102	967,918	7,181,689
Corporation Counsel	2,459,918	2,442,903	2,336,092	106,811	2,280,903
Engineering administration	1,600,959	1,595,805	1,379,894	215,911	1,443,578
Purchasing	585,973	582,364	609,016	(26,652)	555,892
Office services	149,649	47,650	51,451	(3,801)	1,696,697
Management information services	5,745,271	5,784,466	4,998,644	785,822	2,495,564
Traffic engineering and street lighting	804,578	802,955	730,314	72,641	653,490
Public works administration	1,096,462	1,095,320	687,650	407,670	676,798

Production control	717,829	717,829	645,216	72,613	673,286
Dog control	758,526	745,836	677,231	68,605	609,064
	13,919,165	13,815,128	12,115,508	1,699,620	11,085,272
Shared services					
General services	7,610,656	7,413,753	6,919,334	494,419	7,370,459
Vehicle maintenance	8,294,684	8,662,794	7,726,967	935,827	7,295,248
	15,905,340	16,076,547	14,646,301	1,430,246	14,665,707
Special items					
Taxes on City property	3,206,960	3,206,960	2,728,309	478,651	2,804,122
Tax remissions	1,090,000	1,090,000	1,878,557	(788,557)	1,802,028
Senior citizen tax exemption	360,000	360,000	300,917	59,083	295,082
Reserve for uncollected taxes	17,904,000	17,904,000	15,609,501	2,294,499	16,872,471
Bond and note issuance costs	117,668	113,735	92,958	20,777	86,325
Municipal dues	5,000	18,723	18,723	-	19,473
Tenants' act	168,800	168,800	165,020	3,780	167,400
Judgments and claims	1,000,000	1,000,000	1,858,611	(858,611)	2,913,357
Assessment review and repayments	500,000	500,000	500,000	-	7,565,000
Termination payments	1,835,235	1,835,235	2,275,977	(440,742)	2,095,242
Fiscal agent banking fees	10,000	10,000	-	10,000	-
Yonkers Historical Society	110,000	110,000	10,000	100,000	10,000
Green Policy Task Force	16,256	13,282	6,596	6,686	462
Tax advertising	20,000	20,000	14,218	5,782	59,353
School crossing guards	-	-	90	(90)	153,717
YMCA/SNUG Grant	200,000	200,000	200,000	-	200,000
Metropolitan commuter transportation mobility tax	690,425	720,425	719,660	765	593,627
Litigation costs	1,428,929	1,387,974	1,000,792	387,182	1,049,626
Administrative charge - Income tax	300,000	300,000	378,756	(78,756)	352,095
Grant cash match	669,058	466,030	799,270	(333,240)	339,768
Annual audit and review	415,400	495,400	470,200	25,200	365,400
Buena Vista parking garage	173,000	250,300	345,756	(95,456)	284,000
Board of Ethics	25,000	25,000	-	25,000	-
Contingency	1,124,965	1,124,965	-	1,124,965	-
Affordable housing subsidies	1,100,000	1,100,000	1,053,300	46,700	954,846
	32,470,696	32,420,829	30,427,211	1,993,618	38,983,394
Total General Government Support	79,831,204	80,034,188	72,735,309	7,298,879	78,047,611

(Continued)

City of Yonkers, New York

**General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
Year Ended June 30, 2014
(With Comparative Actuals for 2013)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
PUBLIC SAFETY					
Police department	\$ 80,026,508	\$ 80,018,714	\$ 81,445,530	\$ (1,426,816)	\$ 79,173,837
Fire prevention and control					
Administration	2,553,230	2,548,996	2,203,904	345,092	1,638,029
Fire fighting	52,587,941	52,711,529	52,878,539	(167,010)	54,052,024
Communications	351,423	355,440	371,295	(15,855)	269,545
Prevention	1,477,349	1,477,129	1,380,836	96,293	1,280,379
	56,969,943	57,093,094	56,834,574	258,520	57,239,977
Other protection					
Bureau of Housing and Buildings	2,780,398	2,777,014	2,696,570	80,444	2,461,135
Total Public Safety	139,776,849	139,888,822	140,976,674	(1,087,852)	138,874,949
TRANSPORTATION					
Snow and ice control	1,610,031	1,912,812	2,771,060	(858,248)	1,005,669
CULTURE AND RECREATION					
Parks administration	1,040,276	1,037,726	927,446	110,280	835,805
Parks maintenance	4,234,259	4,243,823	4,390,188	(146,365)	3,989,192
Recreation and playgrounds	2,240,593	2,239,158	2,008,768	230,390	1,969,884
Museum	176,600	176,600	176,600	-	156,940
Community centers	322,367	322,367	340,750	(18,383)	323,926
Youth service agencies	120,500	120,500	120,000	500	122,560
Total Culture and Recreation	8,134,595	8,140,174	7,963,752	176,422	7,398,307

HOME AND COMMUNITY SERVICES

General environment	909,257	906,855	749,498	157,357	296,130
Development administration	403,724	418,724	320,679	98,045	332,384
Planning	115,000	115,000	39,572	75,428	2,390
Human rights	336,823	336,823	325,673	11,150	314,141
Office for the aging	280,000	280,000	289,906	(9,906)	261,779
Economic development	253,813	253,813	250,883	2,930	354,864
Downtown and waterfront development	-	-	-	-	174,693
Affordable housing	2,298,617	2,311,215	1,976,211	335,004	1,736,381
Sanitation	8,827,820	8,828,620	8,941,848	(113,228)	9,110,855
Refuse collection	12,640,833	12,405,573	11,630,526	775,047	11,909,989
Refuse disposal/City cleaning	21,468,653	21,234,193	20,572,374	661,819	21,020,844
Community Environment - Shade Tree Bureau	1,323,155	1,323,155	1,268,127	55,028	1,465,136
Total Home and Community Services	25,090,425	24,868,563	23,816,712	1,051,851	24,222,361

EMPLOYEE BENEFITS

State retirement	11,610,746	11,610,746	10,691,370	919,376	9,464,084
Police and fire retirement	32,223,484	32,223,484	30,095,331	2,128,153	30,922,955
Disabled firefighters' 207A supplemental pension	1,765,000	1,765,000	1,702,284	62,716	1,775,972
Policemen's and firemen's local pension funds	87,000	87,000	71,050	15,950	94,975
Social security and Medicare	13,865,200	14,170,200	14,099,174	71,026	14,038,633
Life, health and dental insurance	51,858,496	51,108,878	48,222,075	2,886,803	45,334,521
Unemployment benefits	200,000	200,000	175,109	24,891	210,934
Workers' compensation	11,673,815	11,679,977	11,414,768	265,209	10,573,153
Trust and welfare payments	3,349,991	3,386,992	3,364,727	22,265	3,160,055
Total Employee Benefits	126,633,732	126,232,277	119,835,888	6,396,389	115,575,282

DEBT SERVICE

Interest	1,500,000	1,500,000	22,020	1,477,980	12,578
Bond anticipation notes	-	-	590,510	(590,510)	620,309
Revenue anticipation notes	1,500,000	1,500,000	612,530	887,470	632,887
TOTAL EXPENDITURES	382,576,836	382,576,836	368,711,925	13,864,911	365,757,066

(Continued)

City of Yonkers, New York

**General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
Year Ended June 30, 2014
(With Comparative Actuals for 2013)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
OTHER FINANCING USES					
Transfers out					
Education Fund	\$ 227,996,844	\$ 227,996,844	\$ 227,996,844	\$ -	\$ 224,749,240
Water Fund	3,331,771	3,331,771	3,331,771	-	3,240,824
Public Library Fund	8,761,535	8,761,535	8,761,535	-	8,414,809
City Debt Service Fund	36,978,672	36,978,672	37,097,411	(118,739)	38,275,146
Education Debt Service Fund	3,478,610	3,478,610	3,478,610	-	2,550,409
TOTAL OTHER FINANCING USES	280,547,432	280,547,432	280,666,171	(118,739)	277,230,428
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 663,124,268	\$ 663,124,268	\$ 649,378,096	\$ 13,746,172	\$ 642,987,494

City of Yonkers, New York

Education Fund
Comparative Balance Sheet
June 30,

	2014	2013
ASSETS		
Receivables		
Accounts	\$ 7,213,177	\$ 4,720,997
State and Federal aid	71,263,445	69,440,863
Due from other funds	39,919,759	16,296,535
Advances to other funds	1,020,487	-
Total Assets	<u>\$ 119,416,868</u>	<u>\$ 90,458,395</u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 19,812,603	\$ 20,667,190
Accrued liabilities	20,529,431	16,490,940
Due to other governments	1,959,101	3,986,207
Due to other funds	75,464,143	2,194,176
Unearned revenues	1,547,827	1,547,827
Due to retirement systems	37,447,701	30,698,028
Overpayments	105,378	252,018
Total Liabilities	<u>156,866,184</u>	<u>75,836,386</u>
Fund balance (deficit)		
Nonspendable	1,020,487	-
Assigned	-	14,622,009
Unassigned	(38,469,803)	-
Total Fund Balance (Deficit)	<u>(37,449,316)</u>	<u>14,622,009</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 119,416,868</u>	<u>\$ 90,458,395</u>

City of Yonkers, New York

Education Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Charges for services	\$ 387,120	\$ 387,120	\$ 500,521	\$ 113,401
Use of money and property	300,000	300,000	453,994	153,994
Forfeitures	5,000	5,000	975	(4,025)
Sale of property and compensation for loss	-	-	92,280	92,280
Interfund revenues	1,105,915	1,105,915	860,523	(245,392)
State aid	266,690,585	266,690,585	240,591,730	(26,098,855)
Federal aid	520,000	520,000	467,996	(52,004)
Miscellaneous	2,191,475	2,191,475	1,346,621	(844,854)
Total Revenues	271,200,095	271,200,095	244,314,640	(26,885,455)
EXPENDITURES				
Current				
Education				
General support				
Board of education	239,012	241,322	239,220	2,102
Central administration	626,499	826,065	825,738	327
Finance	5,525,518	4,605,014	4,321,983	283,031
Staff	2,845,434	2,967,131	2,921,403	45,728
Central services	41,101,523	40,753,898	38,933,009	1,820,889
Special items	676,000	126,000	122,089	3,911
Total General Support	51,013,986	49,519,430	47,363,442	2,155,988
Instruction				
Instruction, administration and improvement	27,185,787	27,382,060	27,217,394	164,666
Teaching - Regular school	167,980,289	166,933,924	166,329,720	604,204
Programs for children with handicapping conditions	66,176,055	66,268,897	65,800,077	468,820
Occupational education	7,914,483	7,455,000	7,360,420	94,580
Instructional media	1,818,813	2,879,722	2,633,134	246,588
Pupil services	17,199,348	15,957,122	15,739,031	218,091
Total Instruction	288,274,775	286,876,725	285,079,776	1,796,949
Pupil transportation	37,756,822	37,600,144	37,584,513	15,631
Total Education	377,045,583	373,996,299	370,027,731	3,968,568
Employee benefits	132,493,797	130,805,402	129,552,869	1,252,533
Debt service				
Principal	1,643,439	1,038,439	1,038,439	-
Interest	958,426	622,984	622,984	-
	2,601,865	1,661,423	1,661,423	-
Total Expenditures	512,141,245	506,463,124	501,242,023	5,221,101
Deficiency of Revenues Over Expenditures	(240,941,150)	(235,263,029)	(256,927,383)	(21,664,354)
OTHER FINANCING SOURCES (USES)				
Transfers in	227,996,844	227,996,844	227,996,844	-
Transfers out	(17,462,675)	(23,140,796)	(23,140,786)	10
Total Other Financing Sources	210,534,169	204,856,048	204,856,058	10
Net Change in Fund Balance	(30,406,981)	(30,406,981)	(52,071,325)	(21,664,344)
FUND BALANCE (DEFICIT)				
Beginning of Year	30,406,981	30,406,981	14,622,009	(15,784,972)
End of Year	\$ -	\$ -	\$ (37,449,316)	\$ (37,449,316)

2013			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 392,119	\$ 392,119	\$ 493,951	\$ 101,832
135,446	135,446	434,821	299,375
5,000	5,000	6,750	1,750
33,981	33,981	-	(33,981)
1,126,446	1,126,446	802,375	(324,071)
260,841,329	260,841,329	233,929,722	(26,911,607)
20,000	20,000	281,903	261,903
3,200,391	3,200,391	5,736,003	2,535,612
265,754,712	265,754,712	241,685,525	(24,069,187)
230,544	230,544	227,212	3,332
568,365	568,365	569,620	(1,255)
4,515,353	6,150,353	4,417,525	1,732,828
3,353,322	3,412,522	2,844,476	568,046
42,700,168	41,709,256	37,085,933	4,623,323
676,000	676,000	670,931	5,069
52,043,752	52,747,040	45,815,697	6,931,343
23,500,552	23,605,440	24,350,332	(744,892)
156,598,866	160,274,132	158,932,800	1,341,332
66,609,043	66,296,188	63,158,780	3,137,408
8,960,397	8,787,277	8,182,049	605,228
2,185,717	2,447,774	2,202,467	245,307
12,257,524	12,328,747	13,322,097	(993,350)
270,112,099	273,739,558	270,148,525	3,591,033
41,635,659	37,935,659	37,078,229	857,430
363,791,510	364,422,257	353,042,451	11,379,806
125,798,726	125,167,979	119,663,633	5,504,346
987,331	987,331	987,331	-
664,213	664,213	664,213	-
1,651,544	1,651,544	1,651,544	-
491,241,780	491,241,780	474,357,628	16,884,152
(225,487,068)	(225,487,068)	(232,672,103)	(7,185,035)
224,749,240	224,749,240	224,749,240	-
(19,818,175)	(19,818,175)	(19,980,891)	(162,716)
204,931,065	204,931,065	204,768,349	(162,716)
(20,556,003)	(20,556,003)	(27,903,754)	(7,347,751)
20,556,003	20,556,003	42,525,763	21,969,760
\$ -	\$ -	\$ 14,622,009	\$ 14,622,009

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City of Yonkers, New York

Education Special Aid Fund
Comparative Balance Sheet
June 30,

	2014	2013
ASSETS		
Receivables		
State and Federal aid	\$ 20,067,044	\$ 22,282,740
Due from other funds	31,356,184	-
Total Assets	<u>\$ 51,423,228</u>	<u>\$ 22,282,740</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 4,126,761	\$ 3,124,556
Accrued liabilities	814,991	104,807
Due to other governments	1,903,371	1,192,472
Due to other funds	43,557,618	17,860,905
Advances from other funds	1,020,487	-
Total Liabilities	<u>\$ 51,423,228</u>	<u>\$ 22,282,740</u>

City of Yonkers, New York

Education Special Aid Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
State aid	\$ 15,559,176	\$ 15,599,224	\$ 10,069,148	\$ (5,530,076)
Federal aid	32,189,534	36,115,423	28,863,420	(7,252,003)
Miscellaneous	452,531	452,531	290,382	(162,149)
Total Revenues	48,201,241	52,167,178	39,222,950	(12,944,228)
EXPENDITURES				
Current				
Education	47,954,055	54,893,553	41,953,318	12,940,235
Employee benefits	1,353,200	1,403,200	1,399,207	3,993
Total Expenditures	49,307,255	56,296,753	43,352,525	12,944,228
Deficiency of Revenues Over Expenditures	(1,106,014)	(4,129,575)	(4,129,575)	-
OTHER FINANCING SOURCES				
Transfers in	1,106,014	4,129,575	4,129,575	-
Net Change in Fund Balance	-	-	-	-
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

2013			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 14,273,769	\$ 14,559,061	\$ 12,052,633	\$ (2,506,428)
35,951,988	39,752,062	28,066,110	(11,685,952)
433,747	433,747	286,332	(147,415)
50,659,504	54,744,870	40,405,075	(14,339,795)
50,318,162	54,118,235	39,717,687	14,400,548
1,357,635	1,357,635	1,351,550	6,085
51,675,797	55,475,870	41,069,237	14,406,633
(1,016,293)	(731,000)	(664,162)	66,838
1,016,293	731,000	664,162	(66,838)
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

City of Yonkers, New York

Community Development Fund
Combining Balance Sheet - Sub Funds
June 30, 2014
(With Comparative Actuals for 2013)

	Block Grant Fund	Community Development Agency Fund	Section 108 Fund
ASSETS			
Cash and equivalents	\$ 3,184,564	\$ 2,008,199	\$ 644,951
Restricted cash	-	288,853	-
Receivables			
Accounts	211,612	-	-
State and Federal aid	1,848,770	-	-
Due from other funds	25,015,366	330,158	2,381,832
Loans	11,107,391	-	-
Loans - Component unit	1,591,091	-	-
	<u>39,774,230</u>	<u>330,158</u>	<u>2,381,832</u>
Prepaid expenditures	-	-	-
Total Assets	<u>\$ 42,958,794</u>	<u>\$ 2,627,210</u>	<u>\$ 3,026,783</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 389,715	\$ 11,180	\$ -
Accrued liabilities	37,051	-	-
Due to other governments	10,016,000	-	-
Due to other funds	27,971,228	237,404	721,472
Advances from other funds	2,437,269	162,960	-
Unearned revenues	2,092,381	-	-
Total Liabilities	<u>42,943,644</u>	<u>411,544</u>	<u>721,472</u>
Fund balances (deficits)			
Nonspendable	2,437,269	162,960	-
Assigned	<u>(2,422,119)</u>	<u>2,052,706</u>	<u>2,305,311</u>
Total Fund Balances	<u>15,150</u>	<u>2,215,666</u>	<u>2,305,311</u>
Total Liabilities and Fund Balances	<u>\$ 42,958,794</u>	<u>\$ 2,627,210</u>	<u>\$ 3,026,783</u>

HOME Program Fund	Totals	
	2014	2013
<u>\$ 1,328,349</u>	<u>\$ 7,166,063</u>	<u>\$ 4,301,717</u>
<u>-</u>	<u>288,853</u>	<u>342,824</u>
-	211,612	211,612
61,275	1,910,045	2,148,984
18,863,209	46,590,565	21,885,118
3,770,983	14,878,374	14,573,625
-	1,591,091	1,839,408
<u>22,695,467</u>	<u>65,181,687</u>	<u>40,658,747</u>
<u>124,299</u>	<u>124,299</u>	<u>-</u>
<u><u>\$ 24,148,115</u></u>	<u><u>\$ 72,760,902</u></u>	<u><u>\$ 45,303,288</u></u>
\$ 54,089	\$ 454,984	\$ 532,994
-	37,051	36,597
-	10,016,000	10,612,000
18,888,505	47,818,609	22,176,437
-	2,600,229	2,730,129
<u>3,952,732</u>	<u>6,045,113</u>	<u>5,258,971</u>
<u>22,895,326</u>	<u>66,971,986</u>	<u>41,347,128</u>
124,299	2,724,528	2,730,129
<u>1,128,490</u>	<u>3,064,388</u>	<u>1,226,031</u>
<u>1,252,789</u>	<u>5,788,916</u>	<u>3,956,160</u>
<u><u>\$ 24,148,115</u></u>	<u><u>\$ 72,760,902</u></u>	<u><u>\$ 45,303,288</u></u>

City of Yonkers, New York

Community Development Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Sub Funds
Year Ended June 30, 2014
(With Comparative Actuals for 2013)

	Block Grant Fund	Community Development Agency Fund	Section 108 Fund
REVENUES			
Departmental income	\$ 253,706	\$ 137,457	\$ -
Use of money and property	3,366	10,142	21
Sale of property and compensation for loss	-	1,892,000	-
Federal aid	4,029,077	-	-
Miscellaneous	-	15,620	-
Total Revenues	<u>4,286,149</u>	<u>2,055,219</u>	<u>21</u>
EXPENDITURES			
Current			
Home and community services	4,229,251	363,641	-
Debt service			
Interest	-	279,085	-
Total Expenditures	<u>4,229,251</u>	<u>642,726</u>	<u>-</u>
Excess of Revenues Over Expenditures	56,898	1,412,493	21
FUND BALANCES (DEFICITS)			
Beginning of Year	<u>(41,748)</u>	<u>803,173</u>	<u>2,305,290</u>
End of Year	<u>\$ 15,150</u>	<u>\$ 2,215,666</u>	<u>\$ 2,305,311</u>

HOME Program Fund	Totals	
	2014	2013
\$ 381,810	\$ 772,973	\$ 917,175
3,112	16,641	23,681
-	1,892,000	216,550
1,005,131	5,034,208	4,362,249
-	15,620	-
<u>1,390,053</u>	<u>7,731,442</u>	<u>5,519,655</u>
1,026,709	5,619,601	4,873,277
-	279,085	-
<u>1,026,709</u>	<u>5,898,686</u>	<u>4,873,277</u>
363,344	1,832,756	646,378
<u>889,445</u>	<u>3,956,160</u>	<u>3,309,782</u>
<u>\$ 1,252,789</u>	<u>\$ 5,788,916</u>	<u>\$ 3,956,160</u>

City of Yonkers, New YorkCity Capital Projects Fund
Comparative Balance Sheet
June 30,

	2014	2013
ASSETS		
Investments	\$ 71,863,785	\$ 105,802,148
Accounts receivable	-	670,372
 Total Assets	 <u>\$ 71,863,785</u>	 <u>\$ 106,472,520</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,822,669	\$ 2,169,698
Accrued liabilities	-	345,537
Retainages payable	1,612,601	1,298,133
Bond anticipation notes payable	8,881,000	-
Due to other funds	35,840,507	51,755,600
Unearned revenues	462,576	335,607
 Total Liabilities	 48,619,353	 55,904,575
 Fund balance		
Restricted	<u>23,244,432</u>	<u>50,567,945</u>
 Total Liabilities and Fund Balance	 <u>\$ 71,863,785</u>	 <u>\$ 106,472,520</u>

City of Yonkers, New York

City Capital Projects Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2014</u>	<u>2013</u>
REVENUES		
Miscellaneous	\$ 179,953	\$ 1,075,530
EXPENDITURES		
Capital outlay	<u>37,154,401</u>	<u>20,996,378</u>
Deficiency of Revenues Over Expenditures	<u>(36,974,448)</u>	<u>(19,920,848)</u>
OTHER FINANCING SOURCES		
Bonds issued	-	30,330,000
Issuance premium	-	1,560,599
Insurance recoveries	1,227,935	-
Energy performance contract issued	<u>8,423,000</u>	<u>-</u>
Total Other Financing Sources	<u>9,650,935</u>	<u>31,890,599</u>
Net Change in Fund Balance	(27,323,513)	11,969,751
FUND BALANCE		
Beginning of Year	<u>50,567,945</u>	<u>38,598,194</u>
End of Year	<u>\$ 23,244,432</u>	<u>\$ 50,567,945</u>

City of Yonkers, New York

Education Capital Projects Fund
Comparative Balance Sheet
June 30,

	2014	2013
ASSETS		
Receivables		
State and Federal aid	\$ -	\$ 48,759
Due from other funds	39,920,705	47,198,918
Total Assets	<u>\$ 39,920,705</u>	<u>\$ 47,247,677</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,886,062	\$ 2,126,053
Accrued liabilities	24,262	406,346
Retainages payable	313,923	531,349
Bond anticipation notes payable	5,205,900	-
Due to other funds	2,798,022	422,865
Total Liabilities	10,228,169	3,486,613
Fund balance		
Restricted	29,692,536	43,761,064
Total Liabilities and Fund Balance	<u>\$ 39,920,705</u>	<u>\$ 47,247,677</u>

City of Yonkers, New York**Education Capital Projects Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,**

	<u>2014</u>	<u>2013</u>
REVENUES		
Use of money and property	\$ 34,074	\$ -
State aid	<u>(48,759)</u>	<u>-</u>
Total Revenues	(14,685)	-
EXPENDITURES		
Capital outlay	<u>14,053,843</u>	<u>17,295,776</u>
Deficiency of Revenues Over Expenditures	<u>(14,068,528)</u>	<u>(17,295,776)</u>
OTHER FINANCING SOURCES		
Bonds issued	-	26,590,000
Issuance premium	<u>-</u>	<u>1,257,502</u>
Total Other Financing Sources	<u>-</u>	<u>27,847,502</u>
Net Change in Fund Balance	(14,068,528)	10,551,726
FUND BALANCE		
Beginning of Year	<u>43,761,064</u>	<u>33,209,338</u>
End of Year	<u>\$ 29,692,536</u>	<u>\$ 43,761,064</u>

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

- **Sewer Fund** - The Sewer Fund was established pursuant to the General Municipal Law of the State of New York and is used to account for sewer operations financed by sewer rents.
- **Water Fund** - The Water Fund is used to record the water utility operations of the City which render services primarily on a user charge basis to the general public.
- **Public Library Fund** - The Public Library Fund was established pursuant to the Education Law of the State of New York and is used to account for the operations of the City's library system.
- **School Lunch Fund** - The School Lunch Fund is used to record the operations of the breakfast and lunch programs operated by the School District.
- **City Grants Fund** - The City Grants Fund is used to record the financial activity of certain federal and state funded City grant programs.
- **Special Purpose Fund** - The Special Purpose Fund is used to account for assets held by the City in accordance with the terms of a trust agreement.

DEBT SERVICE FUNDS

- **City Debt Service Fund** - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years for the City.
- **Education Debt Service Fund** - The Education Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years for the School District.

City of Yonkers, New York

Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2014
(With Comparative Actuals for 2013)

	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds	
			2014	2013
ASSETS				
Cash and Equivalents	\$ 1,418,052	\$ 14,381,534	\$ 15,799,586	\$ 22,205,904
Investments	352,106	-	352,106	363,715
Receivables				
Accounts	22,015,299	-	22,015,299	24,921,050
State and Federal aid	11,124,625	-	11,124,625	8,397,228
Due from other funds	8,871,653	75,586,863	84,458,516	2,951,386
	42,011,577	75,586,863	117,598,440	36,269,664
Inventories	143,505	-	143,505	129,633
Total Assets	<u>\$ 43,925,240</u>	<u>\$ 89,968,397</u>	<u>\$ 133,893,637</u>	<u>\$ 58,968,916</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 5,617,222	\$ -	\$ 5,617,222	\$ 6,048,158
Accrued liabilities	814,753	-	814,753	2,113,537
Due to other funds	26,810,455	88,308,263	115,118,718	39,415,133
Unearned revenues	4,927,575	-	4,927,575	3,366,752
Due to retirement systems	167,151	-	167,151	126,005
Total Liabilities	38,337,156	88,308,263	126,645,419	51,069,585
Fund balances (deficits)				
Nonspendable	143,505	-	143,505	129,633
Restricted	890,304	1,660,134	2,550,438	2,576,543
Assigned	4,963,390	-	4,963,390	5,362,964
Unassigned	(409,115)	-	(409,115)	(169,809)
Total Fund Balances	5,588,084	1,660,134	7,248,218	7,899,331
Total Liabilities and Fund Balances	<u>\$ 43,925,240</u>	<u>\$ 89,968,397</u>	<u>\$ 133,893,637</u>	<u>\$ 58,968,916</u>

City of Yonkers, New York

Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year Ended June 30, 2014
(With Comparative Actuals for 2013)

	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds	
			2014	2013
REVENUES				
Other tax items	\$ 6,276,913	\$ -	\$ 6,276,913	\$ 5,928,692
Departmental income	30,013,863	-	30,013,863	31,328,203
Charges for services	894,334	-	894,334	793,421
Use of money and property	-	-	-	13,352
State aid	7,141,619	-	7,141,619	8,908,854
Federal aid	14,290,363	-	14,290,363	16,367,272
Food sales	1,712,136	-	1,712,136	1,989,735
Miscellaneous	973,654	-	973,654	339,330
Total Revenues	61,302,882	-	61,302,882	65,668,859
EXPENDITURES				
Current				
Public safety	6,626,981	-	6,626,981	5,969,477
Transportation	2,182,005	-	2,182,005	943,795
Culture and recreation	8,248,478	-	8,248,478	7,917,323
Home and community services	31,508,695	-	31,508,695	36,558,036
Employee benefits	2,040,137	-	2,040,137	1,884,166
Cost of food sales	7,326,434	-	7,326,434	7,088,976
Debt service				
Principal	-	45,256,521	45,256,521	43,957,519
Interest	-	21,794,550	21,794,550	23,078,326
Refunding bond issuance costs	-	-	-	351,624
Total Expenditures	57,932,730	67,051,071	124,983,801	127,749,242
Excess (Deficiency) of Revenues Over Expenditures	3,370,152	(67,051,071)	(63,680,919)	(62,080,383)
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	-	49,150,000
Payment to refunded bond escrow agent	-	-	-	(51,868,274)
Issuance premium	-	-	-	3,069,898
Transfers in	12,861,596	67,164,595	80,026,191	80,012,565
Transfers out	(16,996,385)	-	(16,996,385)	(16,109,972)
Total Other Financing Sources (Uses)	(4,134,789)	67,164,595	63,029,806	64,254,217
Net Change in Fund Balances	(764,637)	113,524	(651,113)	2,173,834
FUND BALANCES				
Beginning of Year	6,352,721	1,546,610	7,899,331	5,725,497
End of Year	\$ 5,588,084	\$ 1,660,134	\$ 7,248,218	\$ 7,899,331

City of Yonkers, New York

Non-Major Special Revenue Funds
Combining Balance Sheet
June 30, 2014
(With Comparative Actuals for 2013)

	Sewer	Water	Public Library
ASSETS			
Cash and equivalents	\$ -	\$ -	\$ 770,260
Investments	-	-	-
Receivables			
Accounts	3,636,412	18,361,689	500
State and Federal aid	-	-	-
Due from other funds	-	-	-
	<u>3,636,412</u>	<u>18,361,689</u>	<u>500</u>
Inventories	-	-	-
Total Assets	<u>\$ 3,636,412</u>	<u>\$ 18,361,689</u>	<u>\$ 770,760</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 71,654	\$ 3,283,476	\$ 160,986
Accrued liabilities	-	503,335	29,444
Due to other funds	3,973,873	10,191,818	-
Unearned revenues	-	-	-
Due to retirement systems	-	-	-
Total Liabilities	<u>4,045,527</u>	<u>13,978,629</u>	<u>190,430</u>
Fund balances (deficits)			
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	4,383,060	580,330
Unassigned	<u>(409,115)</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>(409,115)</u>	<u>4,383,060</u>	<u>580,330</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 3,636,412</u>	<u>\$ 18,361,689</u>	<u>\$ 770,760</u>

School Lunch	City Grants	Special Purpose	Total Non-Major Special Revenue Funds	
			2014	2013
\$ -	\$ -	\$ 647,792	\$ 1,418,052	\$ 2,429,454
-	-	352,106	352,106	351,754
11,265	-	5,433	22,015,299	24,921,050
1,443,561	9,681,064	-	11,124,625	8,397,228
6,635,090	2,236,563	-	8,871,653	857,964
8,089,916	11,917,627	5,433	42,011,577	34,176,242
143,505	-	-	143,505	129,633
<u>\$ 8,233,421</u>	<u>\$ 11,917,627</u>	<u>\$ 1,005,331</u>	<u>\$ 43,925,240</u>	<u>\$ 37,087,083</u>
\$ 1,731,128	\$ 254,951	\$ 115,027	\$ 5,617,222	\$ 6,048,158
212,239	69,735	-	814,753	2,113,537
5,979,398	6,665,366	-	26,810,455	19,079,910
-	4,927,575	-	4,927,575	3,366,752
167,151	-	-	167,151	126,005
8,089,916	11,917,627	115,027	38,337,156	30,734,362
143,505	-	-	143,505	129,633
-	-	890,304	890,304	1,029,933
-	-	-	4,963,390	5,362,964
-	-	-	(409,115)	(169,809)
143,505	-	890,304	5,588,084	6,352,721
<u>\$ 8,233,421</u>	<u>\$ 11,917,627</u>	<u>\$ 1,005,331</u>	<u>\$ 43,925,240</u>	<u>\$ 37,087,083</u>

City of Yonkers, New York

Non-Major Special Revenue Funds

Combining Statement of Revenues, Expenditures and

Changes in Fund Balances

Year Ended June 30, 2014

(With Comparative Actuals for 2013)

	Sewer	Water	Public Library
REVENUES			
Other tax items	\$ -	\$ 6,276,913	\$ -
Departmental income	4,921,232	24,728,092	81,855
Charges for services	-	78,038	-
State aid	-	-	50,958
Federal aid	-	-	-
Food sales	-	-	-
Miscellaneous	-	523,508	56,436
Total Revenues	4,921,232	31,606,551	189,249
EXPENDITURES			
Current			
Public safety	-	-	-
Transportation	-	-	-
Culture and recreation	-	-	7,678,858
Home and community services	2,002,108	22,957,781	-
Employee benefits	-	-	-
Cost of food sales	-	-	-
Total Expenditures	2,002,108	22,957,781	7,678,858
Excess (Deficiency) of Revenues Over Expenditures	2,919,124	8,648,770	(7,489,609)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	3,331,771	8,761,535
Transfers out	(3,992,359)	(11,982,503)	(1,005,418)
Total Other Financing Sources (Uses)	(3,992,359)	(8,650,732)	7,756,117
Net Change in Fund Balances	(1,073,235)	(1,962)	266,508
FUND BALANCES (DEFICITS)			
Beginning of Year	664,120	4,385,022	313,822
End of Year	<u>\$ (409,115)</u>	<u>\$ 4,383,060</u>	<u>\$ 580,330</u>

School Lunch	City Grants	Special Purpose	Total Non-Major Special Revenue Funds	
			2014	2013
\$ -	\$ -	\$ -	\$ 6,276,913	\$ 5,928,692
-	282,684	-	30,013,863	31,328,203
-	816,296	-	894,334	793,421
205,151	6,885,510	-	7,141,619	8,908,854
6,880,780	7,409,583	-	14,290,363	16,367,272
1,712,136	-	-	1,712,136	1,989,735
-	157,413	236,297	973,654	339,330
<u>8,798,067</u>	<u>15,551,486</u>	<u>236,297</u>	<u>61,302,882</u>	<u>65,655,507</u>
-	6,626,981	-	6,626,981	5,969,477
-	2,182,005	-	2,182,005	943,795
-	193,694	375,926	8,248,478	7,917,323
-	6,548,806	-	31,508,695	36,558,036
2,040,137	-	-	2,040,137	1,884,166
7,326,434	-	-	7,326,434	7,088,976
<u>9,366,571</u>	<u>15,551,486</u>	<u>375,926</u>	<u>57,932,730</u>	<u>60,361,773</u>
<u>(568,504)</u>	<u>-</u>	<u>(139,629)</u>	<u>3,370,152</u>	<u>5,293,734</u>
768,290	-	-	12,861,596	11,905,633
(16,105)	-	-	(16,996,385)	(16,109,972)
<u>752,185</u>	<u>-</u>	<u>-</u>	<u>(4,134,789)</u>	<u>(4,204,339)</u>
183,681	-	(139,629)	(764,637)	1,089,395
<u>(40,176)</u>	<u>-</u>	<u>1,029,933</u>	<u>6,352,721</u>	<u>5,263,326</u>
<u>\$ 143,505</u>	<u>\$ -</u>	<u>\$ 890,304</u>	<u>\$ 5,588,084</u>	<u>\$ 6,352,721</u>

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City of Yonkers, New York

Sewer Fund
Comparative Balance Sheet
June 30,

	<u>2014</u>	<u>2013</u>
ASSETS		
Accounts receivable	<u>\$ 3,636,412</u>	<u>\$ 4,302,623</u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 71,654	\$ 54,640
Accrued liabilities	-	4,200
Due to other funds	<u>3,973,873</u>	<u>3,579,663</u>
Total Liabilities	<u>4,045,527</u>	<u>3,638,503</u>
Fund balance (deficit)		
Assigned	-	664,120
Unassigned	<u>(409,115)</u>	<u>-</u>
Total Fund Balance (Deficit)	<u>(409,115)</u>	<u>664,120</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 3,636,412</u>	<u>\$ 4,302,623</u>

City of Yonkers, New York

Sewer Fund

**Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,**

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 5,209,118	\$ 5,209,118	\$ 4,921,232	\$ (287,886)
EXPENDITURES				
Current				
Home and community services	2,126,428	2,126,428	2,002,108	124,320
Excess of Revenues Over Expenditures	3,082,690	3,082,690	2,919,124	(163,566)
OTHER FINANCING USES				
Transfers out	(3,992,359)	(3,992,359)	(3,992,359)	-
Net Change in Fund Balance	(909,669)	(909,669)	(1,073,235)	(163,566)
FUND BALANCE (DEFICIT)				
Beginning of Year	909,669	909,669	664,120	(245,549)
End of Year	\$ -	\$ -	\$ (409,115)	\$ (409,115)

2013			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 5,677,539	\$ 5,677,539	\$ 5,328,957	\$ (348,582)
1,744,218	1,744,218	1,720,476	23,742
3,933,321	3,933,321	3,608,481	(324,840)
(3,946,748)	(3,946,748)	(3,946,748)	-
(13,427)	(13,427)	(338,267)	(324,840)
13,427	13,427	1,002,387	988,960
\$ -	\$ -	\$ 664,120	\$ 664,120

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City of Yonkers, New York

Water Fund
Comparative Balance Sheet
June 30,

	<u>2014</u>	<u>2013</u>
ASSETS		
Accounts receivable	<u>\$ 18,361,689</u>	<u>\$ 20,523,808</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 3,283,476	\$ 4,471,087
Accrued liabilities	503,335	1,863,445
Due to other funds	<u>10,191,818</u>	<u>9,804,254</u>
Total Liabilities	13,978,629	16,138,786
Fund balance		
Assigned	<u>4,383,060</u>	<u>4,385,022</u>
Total Liabilities and Fund Balance	<u>\$ 18,361,689</u>	<u>\$ 20,523,808</u>

City of Yonkers, New York

Water Fund

**Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,**

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Other tax items	\$ 4,785,295	\$ 4,785,295	\$ 6,276,913	\$ 1,491,618
Departmental income	27,660,752	27,660,752	24,728,092	(2,932,660)
Charges for services	164,540	164,540	78,038	(86,502)
Miscellaneous	-	-	523,508	523,508
Total Revenues	32,610,587	32,610,587	31,606,551	(1,004,036)
EXPENDITURES				
Current				
Home and community services	25,356,813	25,356,813	22,957,781	2,399,032
Excess of Revenues Over Expenditures	7,253,774	7,253,774	8,648,770	1,394,996
OTHER FINANCING SOURCES (USES)				
Transfers in	3,331,771	3,331,771	3,331,771	-
Transfers out	(11,982,503)	(11,982,503)	(11,982,503)	-
Total Other Financing Uses	(8,650,732)	(8,650,732)	(8,650,732)	-
Net Change in Fund Balance	(1,396,958)	(1,396,958)	(1,962)	1,394,996
FUND BALANCE				
Beginning of Year	1,396,958	1,396,958	4,385,022	2,988,064
End of Year	\$ -	\$ -	\$ 4,383,060	\$ 4,383,060

2013			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,669,002	\$ 4,669,002	\$ 5,928,692	\$ 1,259,690
25,640,732	25,640,732	25,615,713	(25,019)
122,168	122,168	89,665	(32,503)
-	-	-	-
30,431,902	30,431,902	31,634,070	1,202,168
22,709,539	22,709,539	22,196,078	513,461
7,722,363	7,722,363	9,437,992	1,715,629
3,240,824	3,240,824	3,240,824	-
(11,136,148)	(11,136,148)	(11,136,148)	-
(7,895,324)	(7,895,324)	(7,895,324)	-
(172,961)	(172,961)	1,542,668	1,715,629
172,961	172,961	2,842,354	2,669,393
\$ -	\$ -	\$ 4,385,022	\$ 4,385,022

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City of Yonkers, New York

Public Library Fund
Comparative Balance Sheet
June 30,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 770,260	\$ 1,591,908
Accounts receivable	<u>500</u>	<u>500</u>
Total Assets	<u>\$ 770,760</u>	<u>\$ 1,592,408</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 160,986	\$ 238,561
Accrued liabilities	29,444	29,054
Due to other funds	<u>-</u>	<u>1,010,971</u>
Total Liabilities	190,430	1,278,586
Fund balance		
Assigned	<u>580,330</u>	<u>313,822</u>
Total Liabilities and Fund Balance	<u>\$ 770,760</u>	<u>\$ 1,592,408</u>

City of Yonkers, New York

Public Library Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 76,460	\$ 76,460	\$ 81,855	\$ 5,395
State aid	47,560	47,560	50,958	3,398
Miscellaneous	41,050	41,050	56,436	15,386
Total Revenues	165,070	165,070	189,249	24,179
EXPENDITURES				
Current				
Culture and recreation	7,921,812	7,921,812	7,678,858	242,954
Deficiency of Revenues Over Expenditures	(7,756,742)	(7,756,742)	(7,489,609)	267,133
OTHER FINANCING SOURCES (USES)				
Transfers in	8,761,535	8,761,535	8,761,535	-
Transfers out	(1,005,418)	(1,005,418)	(1,005,418)	-
Total Other Financing Sources	7,756,117	7,756,117	7,756,117	-
Net Change in Fund Balance	(625)	(625)	266,508	267,133
FUND BALANCE				
Beginning of Year	625	625	313,822	313,197
End of Year	\$ -	\$ -	\$ 580,330	\$ 580,330

2013			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 69,975	\$ 69,975	\$ 108,832	\$ 38,857
47,564	47,564	65,774	18,210
41,442	41,442	2,302	(39,140)
158,981	158,981	176,908	17,927
7,644,334	7,644,334	7,506,038	138,296
(7,485,353)	(7,485,353)	(7,329,130)	156,223
8,414,809	8,414,809	8,414,809	-
(1,010,971)	(1,010,971)	(1,010,971)	-
7,403,838	7,403,838	7,403,838	-
(81,515)	(81,515)	74,708	156,223
81,515	81,515	239,114	157,599
\$ -	\$ -	\$ 313,822	\$ 313,822

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City of Yonkers, New York

School Lunch Fund
Comparative Balance Sheet
June 30,

	<u>2014</u>	<u>2013</u>
ASSETS		
Receivables		
Accounts	\$ 11,265	\$ 88,686
State and Federal aid	1,443,561	538,686
Due from other funds	<u>6,635,090</u>	<u>857,964</u>
	<u>8,089,916</u>	<u>1,485,336</u>
Inventories	<u>143,505</u>	<u>129,633</u>
Total Assets	<u><u>\$ 8,233,421</u></u>	<u><u>\$ 1,614,969</u></u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 1,731,128	\$ 466,361
Accrued liabilities	212,239	62,779
Due to other funds	5,979,398	1,000,000
Due to retirement systems	<u>167,151</u>	<u>126,005</u>
Total Liabilities	<u>8,089,916</u>	<u>1,655,145</u>
Fund balance (deficit)		
Nonspendable	143,505	129,633
Unassigned	<u>-</u>	<u>(169,809)</u>
Total Fund Balance (Deficit)	<u>143,505</u>	<u>(40,176)</u>
Total Liabilities and Fund Balance (Deficit)	<u><u>\$ 8,233,421</u></u>	<u><u>\$ 1,614,969</u></u>

City of Yonkers, New York

School Lunch Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
State aid	\$ 201,880	\$ 201,880	\$ 205,151	\$ 3,271
Federal aid	6,598,182	6,598,182	6,880,780	282,598
Food sales	2,058,000	2,058,000	1,712,136	(345,864)
Total Revenues	8,858,062	8,858,062	8,798,067	(59,995)
EXPENDITURES				
Current				
Employee benefits	1,779,480	1,779,480	2,040,137	(260,657)
Cost of food sales	7,312,477	7,830,767	7,326,434	504,333
Total Expenditures	9,091,957	9,610,247	9,366,571	243,676
Deficiency of Revenues Over Expenditures	(233,895)	(752,185)	(568,504)	183,681
OTHER FINANCING SOURCES (USES)				
Transfers in	250,000	768,290	768,290	-
Transfers out	(16,105)	(16,105)	(16,105)	-
Total Other Financing Sources	233,895	752,185	752,185	-
Net Change in Fund Balance	-	-	183,681	183,681
FUND BALANCE (DEFICIT)				
Beginning of Year	-	-	(40,176)	(40,176)
End of Year	\$ -	\$ -	\$ 143,505	\$ 143,505

2013			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 207,573	\$ 207,573	\$ 200,489	\$ (7,084)
6,208,296	6,269,588	6,466,365	196,777
2,303,061	2,241,769	1,989,735	(252,034)
8,718,930	8,718,930	8,656,589	(62,341)
1,986,494	1,985,654	1,884,166	101,488
6,980,113	6,980,953	7,088,976	(108,023)
8,966,607	8,966,607	8,973,142	(6,535)
(247,677)	(247,677)	(316,553)	(68,876)
250,000	250,000	250,000	-
(16,105)	(16,105)	(16,105)	-
233,895	233,895	233,895	-
(13,782)	(13,782)	(82,658)	(68,876)
13,782	13,782	42,482	28,700
\$ -	\$ -	\$ (40,176)	\$ (40,176)

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City of Yonkers, New York

City Grants Fund
Comparative Balance Sheet
June 30,

	<u>2014</u>	<u>2013</u>
ASSETS		
Receivables		
State and Federal aid	\$ 9,681,064	\$ 7,858,542
Due from other funds	<u>2,236,563</u>	<u>-</u>
Total Assets	<u>11,917,627</u>	<u>7,858,542</u>
LIABILITIES		
Accounts payable	\$ 254,951	\$ 652,709
Accrued liabilities	69,735	154,059
Due to other funds	6,665,366	3,685,022
Unearned revenues	<u>4,927,575</u>	<u>3,366,752</u>
Total Liabilities	<u>\$ 11,917,627</u>	<u>\$ 7,858,542</u>

City of Yonkers, New York

City Grants Fund Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Years Ended June 30,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 1,393,010	\$ 1,393,010	\$ 282,684	\$ (1,110,326)
Charges for services	1,315,737	1,315,737	816,296	(499,441)
State aid	22,495,718	22,495,718	6,885,510	(15,610,208)
Federal aid	11,755,215	11,755,215	7,409,583	(4,345,632)
Miscellaneous	344,215	344,215	157,413	(186,802)
Total Revenues	37,303,895	37,303,895	15,551,486	(21,752,409)
EXPENDITURES				
Current				
Public safety	12,855,849	12,855,849	6,626,981	6,228,868
Transportation	4,333,308	4,333,308	2,182,005	2,151,303
Culture and recreation	228,968	228,968	193,694	35,274
Home and community services	19,885,770	19,885,770	6,548,806	13,336,964
Total Expenditures	37,303,895	37,303,895	15,551,486	21,752,409
Excess of Revenues Over Expenditures	-	-	-	-
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

2013			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 3,448,726	\$ 3,448,726	\$ 274,701	\$ (3,174,025)
800,538	800,538	703,756	(96,782)
31,762,768	31,762,768	8,642,591	(23,120,177)
7,356,739	7,356,739	9,900,907	2,544,168
156,758	156,758	141,661	(15,097)
<u>43,525,529</u>	<u>43,525,529</u>	<u>19,663,616</u>	<u>(23,861,913)</u>
8,812,295	8,812,295	5,969,477	2,842,818
3,204,503	3,204,503	943,795	2,260,708
281,580	281,580	108,862	172,718
<u>31,227,151</u>	<u>31,227,151</u>	<u>12,641,482</u>	<u>18,585,669</u>
<u>43,525,529</u>	<u>43,525,529</u>	<u>19,663,616</u>	<u>23,861,913</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Yonkers, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 647,792	\$ 837,546
Investments	352,106	351,754
Accounts receivable	<u>5,433</u>	<u>5,433</u>
 Total Assets	 <u>\$ 1,005,331</u>	 <u>\$ 1,194,733</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 115,027	\$ 164,800
 Fund balance		
Restricted	<u>890,304</u>	<u>1,029,933</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,005,331</u>	 <u>\$ 1,194,733</u>

City of Yonkers, New York

Special Purpose Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2014</u>	<u>2013</u>
REVENUES		
Miscellaneous	\$ 236,297	\$ 195,367
EXPENDITURES		
Current		
Culture and recreation	<u>375,926</u>	<u>302,423</u>
Deficiency of Revenues Over Expenditures	(139,629)	(107,056)
FUND BALANCE		
Beginning of Year	<u>1,029,933</u>	<u>1,136,989</u>
End of Year	<u><u>\$ 890,304</u></u>	<u><u>\$ 1,029,933</u></u>

City of Yonkers, New York

Debt Service Fund
Combining Balance Sheet - Sub Funds
June 30, 2014
(With Comparative Actuals for 2013)

	City Debt Service	Education Debt Service	Totals	
			2014	2013
ASSETS				
Cash and equivalents	\$ 14,381,534	\$ -	\$ 14,381,534	\$ 19,776,450
Investments	-	-	-	11,961
Due from other funds	74,871,217	715,646	75,586,863	2,093,422
Total Assets	<u>\$ 89,252,751</u>	<u>\$ 715,646</u>	<u>\$ 89,968,397</u>	<u>\$ 21,881,833</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Due to other funds	\$ 88,267,253	\$ 41,010	\$ 88,308,263	\$ 20,335,223
Fund balances				
Restricted	<u>985,498</u>	<u>674,636</u>	<u>1,660,134</u>	<u>1,546,610</u>
Total Liabilities and Fund Balances	<u>\$ 89,252,751</u>	<u>\$ 715,646</u>	<u>\$ 89,968,397</u>	<u>\$ 21,881,833</u>

City of Yonkers, New York

Debt Service Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Sub Funds
Year Ended June 30, 2014
(With Comparative Actuals for 2013)

	City Debt Service	Education Debt Service	Totals	
			2014	2013
REVENUES				
Use of money and property	\$ -	\$ -	\$ -	\$ 13,352
EXPENDITURES				
Debt service				
Principal				
Bonds	29,010,686	14,639,314	43,650,000	42,740,000
Notes	463,713	-	463,713	459,833
State loan	-	200,000	200,000	200,000
Retirement incentives and other pension obligations	-	942,808	942,808	557,686
	<u>29,474,399</u>	<u>15,782,122</u>	<u>45,256,521</u>	<u>43,957,519</u>
Interest				
Bonds	15,808,430	5,703,002	21,511,432	22,883,600
Notes	19,134	-	19,134	23,071
Retirement incentives and other pension obligations	-	263,984	263,984	171,655
	<u>15,827,564</u>	<u>5,966,986</u>	<u>21,794,550</u>	<u>23,078,326</u>
Refunding bond issuance costs	-	-	-	351,624
Total Expenditures	<u>45,301,963</u>	<u>21,749,108</u>	<u>67,051,071</u>	<u>67,387,469</u>
Deficiency of Revenues Over Expenditures	<u>(45,301,963)</u>	<u>(21,749,108)</u>	<u>(67,051,071)</u>	<u>(67,374,117)</u>
OTHER FINANCING SOURCES				
Refunding bonds issued	-	-	-	49,150,000
Payment to refunded bond escrow agent	-	-	-	(51,868,274)
Issuance premium	-	-	-	3,069,898
Transfers in	<u>45,426,959</u>	<u>21,737,636</u>	<u>67,164,595</u>	<u>68,106,932</u>
Total Other Financing Sources	<u>45,426,959</u>	<u>21,737,636</u>	<u>67,164,595</u>	<u>68,458,556</u>
Net Change in Fund Balances	124,996	(11,472)	113,524	1,084,439
FUND BALANCES				
Beginning of Year	<u>860,502</u>	<u>686,108</u>	<u>1,546,610</u>	<u>462,171</u>
End of Year	<u>\$ 985,498</u>	<u>\$ 674,636</u>	<u>\$ 1,660,134</u>	<u>\$ 1,546,610</u>

City of Yonkers, New York

City Debt Service Fund

Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal			-	
Bonds	28,970,591	29,010,686	29,010,686	-
Notes	463,713	463,713	463,713	-
	<u>29,434,304</u>	<u>29,474,399</u>	<u>29,474,399</u>	<u>-</u>
Interest				
Bonds	15,848,525	15,808,430	15,808,430	-
Notes	25,392	25,392	19,134	6,258
	<u>15,873,917</u>	<u>15,833,822</u>	<u>15,827,564</u>	<u>6,258</u>
Refunding bond issuance costs	-	-	-	-
Total Expenditures	<u>45,308,221</u>	<u>45,308,221</u>	<u>45,301,963</u>	<u>6,258</u>
Deficiency of Revenues Over Expenditures	<u>(45,308,221)</u>	<u>(45,308,221)</u>	<u>(45,301,963)</u>	<u>6,258</u>
OTHER FINANCING SOURCES				
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Issuance premium	-	-	-	-
Transfers in	45,308,221	45,308,221	45,426,959	118,738
Total Other Financing Sources	<u>45,308,221</u>	<u>45,308,221</u>	<u>45,426,959</u>	<u>118,738</u>
Net Change in Fund Balance	-	-	124,996	124,996
FUND BALANCE				
Beginning of Year	-	-	860,502	860,502
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 985,498</u>	<u>\$ 985,498</u>

2013			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 3,251	\$ 3,251
27,945,012	27,945,012	28,095,000	(149,988)
459,833	459,833	459,833	-
28,404,845	28,404,845	28,554,833	(149,988)
17,920,868	17,920,868	17,079,357	841,511
29,272	29,272	23,071	6,201
17,950,140	17,950,140	17,102,428	847,712
-	284,839	284,839	-
46,354,985	46,639,824	45,942,100	697,724
(46,354,985)	(46,639,824)	(45,938,849)	700,975
-	37,040,000	37,040,000	-
-	(39,151,185)	(39,151,185)	-
-	2,396,024	2,396,024	-
46,354,985	46,354,985	46,473,689	118,704
46,354,985	46,639,824	46,758,528	118,704
-	-	819,679	819,679
-	-	40,823	40,823
\$ -	\$ -	\$ 860,502	\$ 860,502

City of Yonkers, New York

Education Debt Service Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ 500	\$ 500	\$ -	\$ (500)
EXPENDITURES				
Debt service				
Principal				
Bonds	13,198,000	14,679,409	14,639,314	40,095
State loan	200,000	200,000	200,000	-
Retirement incentives and other pension obligations	387,672	942,808	942,808	-
	13,785,672	15,822,217	15,782,122	40,095
Interest				
Bonds	5,738,259	5,738,259	5,703,002	35,257
Retirement incentives and other pension obligations	69,315	169,040	263,984	(94,944)
	5,807,574	5,907,299	5,966,986	(59,687)
Refunding bond issuance costs	-	-	-	-
Total Expenditures	19,593,246	21,729,516	21,749,108	(19,592)
Deficiency of Revenues Over Expenditures	(19,592,746)	(21,729,016)	(21,749,108)	(20,092)
OTHER FINANCING SOURCES				
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Issuance premium	-	-	-	-
Transfers in	19,592,746	21,729,016	21,737,636	8,620
Total Other Financing Sources	19,592,746	21,729,016	21,737,636	8,620
Net Change in Fund Balance	-	-	(11,472)	(11,472)
FUND BALANCE				
Beginning of Year	-	-	686,108	686,108
End of Year	\$ -	\$ -	\$ 674,636	\$ 674,636

2013			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 500	\$ 500	\$ 10,101	\$ 9,601
14,645,000	14,645,000	14,645,000	-
200,000	200,000	200,000	-
369,211	369,211	557,686	(188,475)
15,214,211	15,214,211	15,402,686	(188,475)
6,074,402	6,074,402	5,804,243	270,159
87,776	87,776	171,655	(83,879)
6,162,178	6,162,178	5,975,898	186,280
-	66,785	66,785	-
21,376,389	21,443,174	21,445,369	(2,195)
(21,375,889)	(21,442,674)	(21,435,268)	7,406
-	12,110,000	12,110,000	-
-	(12,717,089)	(12,717,089)	-
-	673,874	673,874	-
21,360,889	21,360,889	21,633,243	272,354
21,360,889	21,427,674	21,700,028	272,354
(15,000)	(15,000)	264,760	279,760
15,000	15,000	421,348	406,348
\$ -	\$ -	\$ 686,108	\$ 686,108

City of Yonkers, New York

Fiduciary Funds - Agency Fund
Statement of Changes in Assets and Liabilities
Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014
ASSETS				
Cash and equivalents	\$ 23,168,802	\$ 106,787,875	\$ 120,305,927	\$ 9,650,750
Investments	126,049	500	-	126,549
Accounts receivable	2,176,767	987,182	1,924,997	1,238,952
Total Assets	<u>\$ 25,471,618</u>	<u>\$ 107,775,557</u>	<u>\$ 122,230,924</u>	<u>\$ 11,016,251</u>
LIABILITIES				
Accounts payable	\$ 1,374,432	\$ 3,979,021	\$ 4,714,569	\$ 638,884
Employee payroll deductions	15,423,634	6,048,095	18,868,607	2,603,122
Deposits	8,400,759	31,507,166	32,392,439	7,515,486
Student activity funds	272,793	1,033,175	1,047,209	258,759
Total Liabilities	<u>\$ 25,471,618</u>	<u>\$ 42,567,457</u>	<u>\$ 57,022,824</u>	<u>\$ 11,016,251</u>

STATISTICAL SECTION
(UNAUDITED)

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Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules include:

Net Position by Component

Changes in Net Position

Fund Balances of Governmental Funds

Changes in Fund Balances of Governmental Funds

City of Yonkers, New York

Net Position by Component
Last Ten Fiscal Years

	2005	2006	2007	2008(1)
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 118,502,984	\$ 107,094,313	\$ 94,752,686	\$ 106,910,542
Restricted	14,360,624	16,567,548	15,864,496	14,014,825
Unrestricted	(90,363,518)	(79,012,460)	(73,274,434)	(188,438,710)
Total Primary Government Net Position	<u>\$ 42,500,090</u>	<u>\$ 44,649,401</u>	<u>\$ 37,342,748</u>	<u>\$ (67,513,343)</u>

(1) Decrease in net position due to initial implementation of Governmental Accounting Standards Board Statement No. 45 "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions".

2009	2010	2011	2012	2013	2014
\$ 124,459,391	\$ 138,726,316	\$ 145,785,120	\$ 152,139,303	\$ 169,689,871	\$ 185,485,893
13,152,826	15,735,859	10,091,958	10,390,761	12,781,517	15,582,841
(315,242,278)	(470,490,453)	(546,741,785)	(632,055,187)	(771,684,413)	(952,318,671)
<u>\$ (177,630,061)</u>	<u>\$ (316,028,278)</u>	<u>\$ (390,864,707)</u>	<u>\$ (469,525,123)</u>	<u>\$ (589,213,025)</u>	<u>\$ (751,249,937)</u>

City of Yonkers, New York

**Changes In Net Position
Last Ten Fiscal Years**

	2005	2006	2007	2008 (1)
EXPENSES				
Governmental Activities				
General government support	\$ 69,252,148	\$ 69,727,673	\$ 83,035,170	\$ 107,208,807
Education	410,316,574	446,386,197	469,606,585	551,126,474
Public safety	181,078,461	190,446,990	207,787,247	244,053,376
Transportation	2,608,028	593,767	2,234,883	2,602,672
Culture and recreation	21,994,478	21,282,353	24,719,057	25,499,497
Home and community services	65,061,963	64,908,516	73,613,403	65,682,006
Interest	12,375,889	20,204,810	20,303,610	22,333,142
Total Primary Government Expenses	762,687,541	813,550,306	881,299,955	1,018,505,974
PROGRAM REVENUES				
Governmental Activities				
Charges for services				
General government support	10,543,299	10,517,560	10,621,989	11,682,117
Education	3,090,309	3,553,732	3,671,317	3,448,088
Public safety	6,809,716	7,748,837	8,335,163	9,853,742
Transportation	452,900	453,800	454,737	455,814
Culture and recreation	1,519,329	1,521,759	1,774,319	1,957,550
Home and community services	20,564,523	20,203,287	21,363,104	18,597,391
Operating grants and contributions	129,360,779	120,649,287	143,292,938	82,247,581
Capital grants and contributions	1,722,793	2,873,750	6,118,370	9,099,083
Total Primary Government Program Revenues	174,063,648	167,522,012	195,631,937	137,341,366
Total Primary Government Net Expense	(588,623,893)	(646,028,294)	(685,668,018)	(881,164,608)
GENERAL REVENUES				
Governmental Activities				
Taxes				
Real property taxes	222,077,836	228,291,531	230,149,127	243,479,848
Other tax items	57,938,272	64,179,579	66,695,812	77,857,974
Non-property taxes	75,206,022	89,499,197	109,959,457	106,655,950
Forfeitures	-	1,575	3,250	6,250
Unrestricted use of money and property	1,622,801	4,721,035	5,111,039	3,915,975
Sale of property and compensation for loss	-	-	-	2,789
Unrestricted State aid	251,452,592	237,000,752	261,290,934	339,072,658
Federal aid	-	29,206	32,734	28,887
Gain on sale of real property	-	-	-	-
Insurance recoveries	-	-	-	-
Miscellaneous	1,039,709	24,414,800	5,027,291	5,288,186
Total Primary Government	609,337,232	648,137,675	678,269,644	776,308,517
CHANGE IN NET POSITION				
Total Primary Government	\$ 20,713,339	\$ 2,109,381	\$ (7,398,374)	\$ (104,856,091)

(1) Decrease due to initial implementation of Governmental Accounting Standards Board Statement No. 45 "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions".

2009	2010	2011	2012	2013	2014
\$ 106,742,971	\$ 114,557,722	\$ 92,153,380	\$ 109,233,631	\$ 96,698,090	\$ 107,100,494
576,551,439	610,339,040	584,220,136	574,517,266	604,723,981	647,422,656
253,865,905	249,200,177	253,462,854	245,285,519	277,342,296	275,001,739
3,065,761	3,748,615	3,762,332	1,644,099	2,554,540	6,172,307
24,670,215	27,174,255	20,244,726	24,923,829	28,174,200	28,498,545
73,083,760	80,486,508	78,678,985	92,983,418	86,846,243	86,636,459
23,808,854	21,830,388	22,705,567	21,507,938	20,408,530	21,239,113
1,061,788,905	1,107,336,705	1,055,227,980	1,070,095,700	1,116,747,880	1,172,071,313
13,283,433	11,662,302	15,196,280	16,533,157	16,242,532	19,468,301
3,140,648	3,057,251	2,648,820	2,983,150	2,918,507	2,666,651
6,610,128	8,057,938	8,995,653	7,675,845	8,358,062	7,768,318
456,850	483,993	473,027	474,493	475,298	476,745
2,196,019	2,257,067	2,548,614	2,631,213	2,690,904	2,647,887
21,972,439	23,470,866	25,569,193	29,142,758	33,845,283	34,289,017
93,129,537	106,495,033	106,646,647	90,099,855	98,127,740	91,087,054
13,653,580	6,242,682	918,951	308,144	1,088,882	165,268
154,442,634	161,727,132	162,997,185	149,848,615	163,747,208	158,569,241
(907,346,271)	(945,609,573)	(892,230,795)	(920,247,085)	(953,000,672)	(1,013,502,072)
261,820,029	275,684,037	286,255,827	292,352,321	300,323,045	302,493,214
61,293,509	66,758,036	64,637,100	72,026,152	75,579,609	78,870,430
99,234,839	96,551,065	101,458,201	115,619,511	120,189,039	125,049,902
12,150	8,275	1,175	1,600	6,750	975
1,114,401	498,478	270,688	256,191	224,682	127,257
5,212	14,770	14,628	307,875	258,202	1,302,671
360,379,774	347,251,203	351,076,326	342,328,128	328,309,196	333,252,133
29,018	15,346,588	8,155,256	75,522	20,804	-
-	-	266,270	-	-	807,193
-	-	-	-	-	1,227,935
13,340,621	5,098,904	5,258,895	8,407,534	8,401,443	8,333,450
797,229,553	807,211,356	817,394,366	831,374,834	833,312,770	851,465,160
\$ (110,116,718)	\$ (138,398,217)	\$ (74,836,429)	\$ (88,872,251)	\$ (119,687,902)	\$ (162,036,912)

City of Yonkers, New York

**Fund Balances of Governmental Funds
Last Ten Fiscal Years**

	2005	2006	2007	2008
GENERAL FUND				
Reserved	\$ 3,482,359	\$ 3,227,658	\$ 3,655,713	\$ 3,963,954
Unreserved	38,967,846	43,921,474	36,650,000	19,830,535
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 42,450,205</u>	<u>\$ 47,149,132</u>	<u>\$ 40,305,713</u>	<u>\$ 23,794,489</u>
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 23,121,904	\$ 22,036,591	\$ 31,430,038	\$ 7,651,747
Unreserved, Reported In				
Special revenue funds	11,520,406	5,993,456	14,107,503	18,025,302
Capital projects funds	127,423,466	66,247,726	65,236,523	105,753,666
Debt service funds	125,000	1,780,000	4,126,560	1,495,416
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 162,190,776</u>	<u>\$ 96,057,773</u>	<u>\$ 114,900,624</u>	<u>\$ 132,926,131</u>
Total Governmental Funds	<u>\$ 204,640,981</u>	<u>\$ 143,206,905</u>	<u>\$ 155,206,337</u>	<u>\$ 156,720,620</u>

(1) Components of fund balance were reclassified with the June 30, 2011 implementation of Governmental Accounting Standards Board Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definitions*".

2009	2010	2011 (1)	2012	2013	2014
\$ 2,482,203	\$ 2,355,246	\$ -	\$ -	\$ -	\$ -
19,579,485	9,231,545	-	-	-	-
-	-	10,600	3,071,221	4,464,686	3,543,829
-	-	5,638,555	10,825,579	18,816,058	33,036,096
-	-	8,866,923	20,918,509	31,597,978	37,494,895
<u>\$ 22,061,688</u>	<u>\$ 11,586,791</u>	<u>\$ 14,516,078</u>	<u>\$ 34,815,309</u>	<u>\$ 54,878,722</u>	<u>\$ 74,074,820</u>
\$ 8,634,537	\$ 7,856,804	\$ -	\$ -	\$ -	\$ -
25,776,070	26,725,258	-	-	-	-
77,262,515	77,911,500	-	-	-	-
569,919	(51,995)	-	-	-	-
-	-	187,741	3,219,474	2,859,762	3,888,520
-	-	29,011,827	40,776,006	96,905,552	55,487,406
-	-	6,350,000	4,850,000	-	-
-	-	29,842,285	74,846,347	21,211,004	8,027,778
-	-	7,477,234	(323,253)	(169,809)	(38,878,918)
<u>\$ 112,243,041</u>	<u>\$ 112,441,567</u>	<u>\$ 72,869,087</u>	<u>\$ 123,368,574</u>	<u>\$ 120,806,509</u>	<u>\$ 28,524,786</u>
<u>\$ 134,304,729</u>	<u>\$ 124,028,358</u>	<u>\$ 87,385,165</u>	<u>\$ 158,183,883</u>	<u>\$ 175,685,231</u>	<u>\$ 102,599,606</u>

City of Yonkers, New York

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2005	2006	2007	2008
REVENUES				
Real property taxes	\$ 219,306,083	\$ 226,984,887	\$ 230,300,603	\$ 242,095,675
Other tax items	57,938,272	64,179,579	66,695,812	77,857,974
Non-property taxes	75,206,022	89,499,197	109,959,457	106,655,950
Departmental income	36,056,667	37,810,495	38,753,688	39,435,647
Charges for services	3,885,927	4,020,416	4,530,039	4,869,525
Use of money and property	3,354,158	7,937,660	9,849,304	8,216,873
Forfeitures	2,450	1,575	3,250	6,250
Sale of property and compensation for loss	834,467	18,891	522,359	342,344
Interfund revenues	6,838,485	10,470,994	7,458,311	1,015,791
State aid	324,049,163	306,302,480	355,970,956	373,986,873
Federal aid	53,352,345	50,680,799	48,966,240	51,369,201
Food sales	2,421,583	2,528,686	2,844,156	2,631,840
Miscellaneous	4,781,622	25,211,666	6,156,487	6,595,516
Total Revenues	788,027,244	825,647,325	882,010,662	915,079,459
EXPENDITURES				
Current				
General government support	56,354,651	56,151,739	65,630,420	68,909,397
Education	312,240,356	337,624,743	352,300,707	361,617,951
Public safety	120,526,632	130,326,045	137,473,311	149,461,196
Transportation	2,318,588	2,030,712	2,069,378	2,250,783
Culture and recreation	16,417,399	17,358,599	16,308,886	17,235,602
Home and community services	54,626,238	52,230,188	55,311,345	51,554,605
Employee benefits	176,837,845	186,360,113	198,324,174	207,981,306
Cost of food sales	6,612,983	6,632,223	7,083,184	7,162,309
Debt service				
Principal	22,490,873	27,430,403	31,061,403	33,267,259
Interest	13,359,900	17,293,442	20,488,649	23,010,388
Refunding bond issuance costs	1,553,524	-	-	-
Capital outlay	36,251,500	116,591,563	44,129,784	48,815,452
Total Expenditures	819,590,489	950,029,770	930,181,241	971,266,248
Deficiency of Revenues Over Expenditures	(31,563,245)	(124,382,445)	(48,170,579)	(56,186,789)
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	110,250,000	-	-	-
Payment to refunded bond escrow agent	(118,389,837)	-	-	-
Issuance premium	15,930,225	1,085,500	2,243,130	1,026,072
Bonds issued	120,625,000	52,640,000	48,875,000	56,675,000
Bond anticipation notes issued	-	-	-	-
Notes issued	81,101	-	-	-
Loans issued	-	-	-	-
Issuance costs	-	-	-	-
Sale of real property	400,000	-	-	-
State loan issued	-	-	-	-
State loan - retirement	17,860,665	9,222,869	9,051,881	-
Insurance recoveries	-	-	-	-
Energy performance contract issued	-	-	-	-
Transfers in	215,096,195	234,346,883	270,894,250	271,901,282
Transfers out	(215,096,195)	(234,346,883)	(270,894,250)	(271,901,282)
Total Other Financing Sources	146,757,154	62,948,369	60,170,011	57,701,072
Net Change in Fund Balances	\$ 115,193,909	\$ (61,434,076)	\$ 11,999,432	\$ 1,514,283
Debt Service as a Percentage of Non-Capital Expenditures				
	4.5%	5.3%	5.7%	6.1%

2009	2010	2011	2012	2013	2014
\$ 259,527,109	\$ 272,185,428	\$ 281,141,856	\$ 289,233,129	\$ 305,492,125	\$ 306,231,052
61,293,509	66,758,036	64,637,100	72,026,152	75,579,609	78,870,430
99,234,839	96,551,065	101,458,201	115,619,511	120,189,039	125,049,902
42,104,661	43,152,935	50,340,662	54,345,600	59,550,507	60,475,476
1,639,751	2,175,963	2,454,558	2,166,655	1,287,372	1,394,855
4,008,968	1,294,407	676,970	1,123,190	1,144,704	1,075,132
12,150	8,275	1,175	1,600	6,750	975
179,662	229,631	238,588	327,370	474,752	4,194,671
978,608	1,503,125	1,215,987	930,311	802,375	860,523
410,188,591	387,913,948	385,536,864	379,197,328	370,846,330	371,689,310
51,956,337	79,978,174	79,415,310	52,113,409	54,962,067	51,304,469
2,428,892	2,387,226	2,091,379	2,122,494	1,989,735	1,712,136
16,914,863	12,474,334	7,077,996	8,322,953	10,119,862	9,801,713
950,467,940	966,612,547	976,286,646	977,529,702	1,002,445,227	1,012,660,644
70,590,772	90,193,733	74,270,685	84,799,011	78,047,611	72,735,309
380,230,067	399,394,075	381,717,571	367,300,654	392,760,138	411,981,049
142,668,880	145,703,692	140,277,496	143,026,543	144,844,426	147,603,655
2,522,108	3,145,339	3,159,440	1,567,905	1,949,464	4,953,065
17,134,454	16,480,097	14,997,660	15,093,456	15,315,630	16,212,230
56,069,968	60,043,934	63,695,300	64,900,922	65,653,674	60,945,008
200,428,268	205,895,109	226,517,753	232,468,118	238,474,631	252,828,101
7,014,153	7,052,612	6,878,962	6,996,278	7,088,976	7,326,434
36,245,417	45,957,628	38,063,952	53,303,407	44,944,850	46,294,960
24,754,281	22,349,835	22,037,297	19,730,990	24,375,426	23,309,149
-	-	-	-	351,624	-
65,009,129	49,050,934	52,433,957	46,219,673	38,292,154	51,208,244
1,002,667,497	1,045,266,988	1,024,050,073	1,035,406,957	1,052,098,604	1,095,397,204
(52,199,557)	(78,654,441)	(47,763,427)	(57,877,255)	(49,653,377)	(82,736,560)
-	-	-	-	49,150,000	-
-	-	-	-	(51,868,274)	-
-	1,041,051	-	5,162,591	5,887,999	-
14,164,000	51,021,000	-	113,130,000	56,920,000	-
5,400,000	14,800,000	2,000,000	-	7,065,000	-
10,219,666	1,516,019	8,090,419	-	-	-
-	-	-	341,770	-	-
-	-	-	(170,223)	-	-
-	-	200,000	-	-	-
-	-	829,815	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,227,935
-	-	-	-	-	8,423,000
290,023,383	294,171,762	290,798,606	296,975,124	313,321,291	320,803,342
(290,023,383)	(294,171,762)	(290,798,606)	(296,975,124)	(313,321,291)	(320,803,342)
29,783,666	68,378,070	11,120,234	118,464,138	67,154,725	9,650,935
\$ (22,415,891)	\$ (10,276,371)	\$ (36,643,193)	\$ 60,586,883	\$ 17,501,348	\$ (73,085,625)

6.4%

6.8%

6.2%

7.3%

6.8%

6.7%

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Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. These schedules include:

Assessed Value and Estimated Actual Value
of Taxable Property

Direct and Overlapping Property Tax Rates,
Per \$1,000 of Assessed Valuation

Principal Taxpayers

Property Tax Levies and Collections

Computation of Constitutional Tax Margin

City of Yonkers, New York

Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years

Year	Residential Property	Commercial Property	Industrial Property	Special Franchise (1)	Assessed Value (2)
2005	\$ 303,029,000	\$ 187,160,976	\$ 11,980,000	\$ 18,557,215	\$ 520,727,191
2006	302,047,000	184,937,168	11,835,000	17,959,779	516,778,947
2007	303,296,000	177,493,972	11,270,000	18,624,241	510,684,213
2008	303,023,632	175,610,011	11,252,977	18,812,468	508,699,088
2009	306,533,996	170,539,144	10,279,497	15,499,698	502,852,335
2010	304,612,788	156,880,931	10,432,912	17,156,259	489,082,890
2011	299,493,453	155,332,661	10,198,215	18,822,499	483,846,828
2012	295,363,498	152,089,693	9,822,044	18,822,499	476,097,734
2013	293,056,452	151,007,227	8,719,143	26,240,243	479,023,065
2014	290,193,996	151,713,915	8,574,853	24,842,941	475,325,705

(1) Assessed valuation of transmission lines of Consolidated Edison and Verizon

(2) Assessed valuation for City purposes

(3) Assessed valuation for educational purposes

(4) Provided by the New York State Office of Real Property Services

Note: Estimated actual taxable value is calculated by dividing taxable assessed value by the state special equalization rate. Tax rates are per \$1,000 of assessed value.

Plus Veteran's Exemption	Total Taxable Assessed Value (3)	State Special Equalization Rate (4)	Estimated Actual Taxable Value	Total Direct Tax Rate
\$ 7,397,743	\$ 528,124,934	3.08 %	\$ 17,146,913,442	\$ 466.57
6,956,154	523,735,101	2.78	18,839,392,122	488.72
7,087,789	517,772,002	2.14	24,194,953,364	503.38
8,700,433	517,399,521	2.34	22,111,090,641	528.43
7,590,723	510,443,058	2.64	19,334,964,318	568.08
7,696,865	496,779,755	3.00	16,559,325,167	600.75
7,700,399	491,547,227	3.26	15,078,135,798	624.76
8,155,530	484,253,264	3.41	14,200,975,484	654.78
7,525,610	486,548,675	3.68	13,221,431,386	677.02
7,192,720	482,518,425	4.02	12,002,945,896	688.93

City of Yonkers, New York

Direct and Overlapping Property Tax Rates,
Per \$1,000 of Assessed Valuation
Last Ten Fiscal Years

Year	City Direct Rate (1)	Overlapping Rates		
		Westchester County		
		Operating	Sewer Districts (2)	Refuse Disposal District
2005	\$ 466.57	\$ 89.44	\$ 11.31	\$ 10.77
2006	488.72	94.76	12.20	10.92
2007	503.38	99.79	13.78	11.04
2008	528.43	123.69	11.76	16.49
2009	568.08	126.24	18.10	11.75
2010	600.75	122.15	19.26	11.48
2011	624.76	120.42	19.10	11.61
2012	654.78	117.60	18.51	11.35
2013	677.02	113.38	18.32	10.92
2014	688.93	117.86	18.82	10.90

(1) A single direct property tax rate applies to all classes of real property.

(2) Average rate for five sewer districts

Source: City of Yonkers Department of Finance

City of Yonkers, New York

Principal Taxpayers

Current Year and Nine Years Ago

2014 (1)				
Rank	Taxpayer	Type of Business	Net Assessed Valuation	Percent of Net Assessed Valuation
1	Con Edison	Utility	\$ 35,000,559	7.25 %
2	Cali's Westchester Realty	Office Park	3,602,600	0.75
3	City of New York Water Supply	Utility	2,860,900	0.59
4	G & C Yonkers Realty LLC	Shopping Center	2,306,700	0.48
5	Verizon New York Inc.	Utility	1,729,254	0.36
6	Crestwood Lake	Apartments	1,708,465	0.35
7	AAC Cross County Mall LLC	Shopping Mall	1,665,500	0.35
8	Sadore Lane Gardens	Apartments	1,481,224	0.31
9	Fleetwood Park Corp.	Apartments	1,142,805	0.24
10	Central Plaza Associates LLC	Apartments	1,093,000	0.23
	Total		<u>\$ 52,591,007</u>	<u>10.91 %</u>

2005 (2)				
Rank	Taxpayer	Type of Business	Net Assessed Valuation	Percent of Net Assessed Valuation
1	Con Edison	Utility	\$ 28,937,922	5.48 %
2	Marx Realty	Shopping Center	6,692,280	1.27
3	Acklinis Realty Holding	Shopping Center	2,910,800	0.55
4	City of New York Water Supply	Utility	2,860,900	0.54
5	Verizon	Utility	2,438,230	0.46
6	Yonkers Racing Corp.	Harness Racing	2,400,000	0.45
7	CR Riverdale Limited	Apartments	1,980,000	0.37
8	Sadore Lane Garden Apartments	Apartments	1,855,307	0.35
9	Lilac New York Corp.	Shopping Center	1,655,500	0.31
10	Cali So. West. Realty Associates	Office Park	1,460,150	0.28
	Total		<u>\$ 53,191,089</u>	<u>10.06 %</u>

Sources: (1) City Department of Planning and Development
(2) City of Yonkers Assessment Roll

City of Yonkers, New York

Property Tax Levies and Collections Last Ten Fiscal Years

Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 245,151,170	\$ 238,722,634	97.38 %	\$ 6,238,731	\$ 244,961,365	99.92 %
2006	254,836,170	248,817,723	97.64	5,548,791	254,366,514	99.82
2007	259,913,858	252,975,394	97.33	6,175,498	259,150,892	99.71
2008	272,356,847	265,440,419	97.46	6,079,156	271,519,575	99.69
2009	288,912,696	278,796,348	96.50	8,234,159	287,030,507	99.35
2010	297,192,534	286,263,245	96.32	3,698,045	289,961,290	97.57
2011	305,699,826	292,001,250	95.52	425,820	292,427,070	95.66
2012	315,524,266	302,517,073	95.88	10,541,946	313,059,019	99.22
2013	327,820,814	313,694,684	95.69	3,457,218	317,151,902	96.75
2014	330,920,260	322,055,121	97.32	849,443	322,904,564	97.58

(1) Includes amounts for City and educational purposes

City of Yonkers Department of Finance as of September 30, 2014.

City of Yonkers, New York

Computation of Constitutional Tax Margin June 30, 2014

Assessment Roll			State Special Equalization Rate	Full Valuation
Year	Budget Year	Assessed Valuation		
2013	2014	\$ 482,518,425	4.02 %	\$ 12,002,945,896
2012	2013	486,548,675	3.68	13,221,431,386
2011	2012	484,253,264	3.41	14,200,975,484
2010	2011	491,547,227	3.26	15,078,135,798
2009	2010	496,779,755	3.00	16,559,325,167
Total Five Year Full Valuation				<u>\$ 71,062,813,729</u>
Five Year Average Full Valuation of Taxable Real Property				<u>\$ 14,212,562,746</u>
Tax Levying Limitation - 2% of Average Full Valuation				284,251,255
Total Exclusions				<u>63,479,017</u>
Maximum Taxing Power				347,730,272
Total Levy for 2013-14				<u>330,920,260</u>
Tax Margin				<u>\$ 16,810,012</u>

Constitutional Tax Limit - Last Ten Fiscal Years:

Year	Maximum Taxing Power	Tax Levy	Tax Limit Available	Percent Exhausted
2005	\$ 325,092,526	\$ 245,151,170	\$ 79,941,356	75.41 %
2006	351,817,363	254,836,170	96,981,193	72.43
2007	396,782,670	259,913,858	136,868,812	65.51
2008	430,355,891	272,356,847	157,999,044	63.29
2009	523,669,328	288,912,696	234,756,632	55.17
2010	539,391,129	297,192,534	242,198,595	55.10
2011	508,219,999	305,699,826	202,520,173	60.15
2012	438,683,688	315,524,266	123,159,422	71.93
2013	390,601,233	327,820,814	62,780,419	83.93
2014	347,730,272	330,920,260	16,810,012	95.17

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Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. These schedules include:

Ratios of Outstanding Debt by Type

Ratios of Net General Bonded Debt Outstanding

Direct and Overlapping Governmental Activities Debt

Legal Debt Margin Information

City of Yonkers, New York

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Mortgage</u>	<u>Notes</u>	<u>Loan</u>	<u>Bond Anticipation Note</u>	<u>State Loan</u>
2005	\$ 399,237,500	\$ 237,841	\$ 3,950,300	\$ -	\$ -	\$ 5,000,000
2006	427,233,988	-	3,572,742	-	-	4,800,000
2007	449,418,684	-	3,284,907	-	-	4,600,000
2008	476,668,608	-	2,977,311	-	-	4,400,000
2009	457,536,866	-	12,859,206	-	5,400,000	4,200,000
2010	472,610,648	-	13,554,877	-	14,800,000	4,000,000
2011	437,472,776	-	20,529,397	-	16,800,000	3,800,000
2012	519,774,591	-	19,137,620	341,770	-	3,600,000
2013	539,404,439	-	17,690,456	341,770	7,065,000	3,400,000
2014	493,769,884	-	16,188,304	341,770	7,065,000	3,200,000

(1) - Population and personal income data can be found in the schedule of demographic and economic statistics

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements

Energy Performance Contract	Total Gross Long-Term Debt	Less: Amounts Available in Debt Service Fund	Net Long-Term Debt	Percentage of Personal Income (1)	Per Capita (1)
\$ -	\$ 408,425,641	\$ 1,473,229	\$ 406,952,412	9.11 %	\$ 2,075
-	435,606,730	5,407,115	430,199,615	9.63	2,194
-	457,303,591	5,331,907	451,971,684	8.37	2,284
-	484,045,919	1,916,041	482,129,878	8.87	2,420
-	479,996,072	586,705	479,409,367	8.18	2,378
-	504,965,525	-	504,965,525	8.71	2,511
-	478,602,173	-	478,602,173	7.94	2,442
-	542,853,981	462,171	542,391,810	9.19	2,768
-	567,901,665	1,546,610	566,355,055	9.67	2,854
8,423,000	528,987,958	1,660,134	527,327,824	8.60	2,640

City of Yonkers, New York

**Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net Long-Term Debt	Percentage of Actual Taxable Value of Property	Percentage of Personal Income (1)	Per Capita (1)
2005	\$ 399,237,500	\$ 1,473,229	\$ 397,764,271	0.02 %	8.90 %	\$ 2,029
2006	427,233,988	5,407,115	421,826,873	0.02	9.44	2,151
2007	449,418,684	5,331,907	444,086,777	0.02	8.23	2,245
2008	476,668,608	1,916,041	474,752,567	0.02	8.73	2,383
2009	457,536,866	586,705	456,950,161	0.02	7.80	2,267
2010	472,610,648	-	472,610,648	0.03	8.15	2,351
2011	437,472,776	-	437,472,776	0.03	7.26	2,232
2012	519,774,591	462,171	519,312,420	0.04	8.80	2,650
2013	539,404,439	1,546,610	537,857,829	0.04	9.19	2,710
2014	493,769,884	1,660,134	492,109,750	0.04	8.03	2,463

(1) - Population and personal income data can be found in the schedule of demographic and economic statistics

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements

City of Yonkers, New York

Direct and Overlapping Governmental Activities Debt June 30, 2014

<u>Government Unit</u>	<u>Net Long-Term Debt Outstanding (1)</u>	<u>Percentage Applicable to Yonkers (2)</u>	<u>Amount Applicable to Yonkers</u>
County of Westchester	\$ 1,108,757,834	8.75 %	\$ 97,039,656
Total Direct Debt			<u>528,987,958</u>
Net Direct and Overlapping Debt			<u>\$ 626,027,614</u>

(1) At December 31, 2013. Excludes the amount available for repayment in the Debt Service Fund

(2) The percentage of overlapping debt applicable is estimated using taxable assessed values.

Applicable percentages were estimated by determining the portion of the City's taxable assessed value that is within the government's boundaries and dividing it by the City's total taxable assessed value.

Source: City of Yonkers and County of Westchester Finance Departments.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City.

This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account.

City of Yonkers, New York

Legal Debt Margin Information
Last Ten Fiscal Years

	2005	2006	2007	2008
Debt Limit	\$ 1,293,044,763	\$ 1,386,868,017	\$ 1,571,333,958	\$ 1,760,577,844
Total Net Debt Applicable to Limit	354,571,145	371,929,416	384,289,854	406,881,704
Legal Debt Margin	<u>\$ 938,473,618</u>	<u>\$ 1,014,938,601</u>	<u>\$ 1,187,044,104</u>	<u>\$ 1,353,696,140</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	27.42%	26.82%	24.46%	23.11%

Legal Debt Margin Calculation for Fiscal Year 2014

Assessment Roll		Assessed Valuation	State Special Equalization Ratio	Full Valuation
Year	Budget Year			
2013	2014	\$ 482,518,425	4.02 %	\$ 12,002,945,896
2012	2013	486,548,675	3.68	13,221,431,386
2011	2012	484,253,264	3.41	14,200,975,484
2010	2011	491,547,227	3.26	15,078,135,798
2009	2010	496,779,755	3.00	16,559,325,167
Total Five Year Full Valuation				<u>\$ 71,062,813,729</u>
Five Year Average Full Valuation of Taxable Real Property				<u>14,212,562,746</u>
Debt Limit - 9% of Five Year Average Full Valuation				<u>1,279,130,647</u>
Outstanding City Debt at June 30, 2014 (1):				
Serial Bonds		475,310,000		
Bond Anticipation Notes		<u>7,065,000</u>		<u>482,375,000</u>
Less				
Exclusion for Outstanding Water Fund Debt				25,583,660
2014/15 Appropriations for Bond Principal (Exclusive of Water Fund Debt)				<u>46,652,466</u>
				<u>72,236,126</u>
Net Indebtedness Subject to Debt Limit				<u>410,138,874</u>
Net Debt Contracting Margin				<u>\$ 868,991,773</u>

(1) Excludes loans, notes, mortgage, state loans and energy performance contract indebtedness

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 2,052,451,328	\$ 2,188,783,138	\$ 2,283,392,221	\$ 1,730,794,918	\$ 1,465,449,804	\$ 1,279,130,647
<u>392,933,854</u>	<u>425,905,851</u>	<u>416,674,184</u>	<u>446,054,539</u>	<u>459,840,697</u>	<u>410,138,874</u>
<u>\$ 1,659,517,474</u>	<u>\$ 1,762,877,287</u>	<u>\$ 1,866,718,037</u>	<u>\$ 1,284,740,379</u>	<u>\$ 1,005,609,107</u>	<u>\$ 868,991,773</u>
19.14%	19.46%	18.25%	25.77%	31.38%	32.06%

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. These schedules include:

Demographic Statistics

Principal Employers

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City of Yonkers, New York

Demographic Statistics Last Ten Fiscal Years

<u>Fiscal Year Ended June 30,</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Income (1)</u>	<u>Unemployment Rate (2)</u>
2005	196,086 (3) \$	4,469,388,198	\$ 22,793	5.10 %
2006	196,086 (3)	4,469,388,198	22,793	4.90
2007	197,852 (4)	5,397,798,264	27,282	4.70
2008	199,244 (4)	5,435,774,808	27,282	5.80
2009	201,588 (4)	5,859,558,396	29,067	8.70
2010	201,066 (4)	5,797,738,110	28,835	9.00
2011	195,976 (5)	6,028,417,736	30,761	8.20
2012	195,976 (5)	5,904,168,952	30,127	8.90
2013	198,449 (4)	5,854,047,051	29,499	8.00
2014	199,766 (6)	6,130,219,242	30,687	6.80

Sources: (1) Source: U.S. Department of Commerce, Bureau of Census and
City of Yonkers Planning Board
(2) New York State Department of Labor. Calendar year annualized average
(3) 2000 U.S. Census
(4) U.S. Census Bureau Estimates
(5) 2010 U.S. Census
(6) Estimated

City of Yonkers, New York

Principal Employers Current Year and Nine Years Ago

Employer	2014 (1)		2005 (2)	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Empire City at Yonkers Raceway	1,421	1.64 %	500	0.52 %
Pop Displays USA LLC	720	0.83	-	-
Montefiore IT	700	0.81	-	-
Liberty Lines	625	0.72	230	0.24
Stew Leonard's of Yonkers LLC	600	0.69	750	0.79
Consumers Reports/Union	600	0.69	400	0.42
Leake and Watts Services Inc.	578	0.67	-	-
Kawasaki Rail Inc.	400	0.46	250	0.26
American Sugar Refining Inc.	320	0.37	-	-
Ecker Window Corp.	300	0.35	300	0.31
Diam International	-	-	800	0.84
Stewart Stamping Corporation	-	-	304	0.32
Domino Foods Inc.	-	-	278	0.29
Bus Associates Inc.	-	-	262	0.27
Regency Extended Care Center	-	-	250	0.26
	<u>6,264</u>	<u>7.23 %</u>	<u>4,324</u>	<u>4.54 %</u>

Sources:

(1) Westchester County - Major Employers by Municipality

(2) City Department of Planning and Development

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. These schedules include:

Full-Time Equivalent City Government Employees by Department

Operating Indicators by Function/Program

Capital Asset Statistics by Function/Program

City of Yonkers, New York

Full-Time Equivalent City Government Employees by Department Last Ten Fiscal Years

<u>Department</u>	<u>Full-time Equivalent Employees as of June 30,</u>			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Executive	13	11	10	10
Legislative	27	27	27	28
Corporation Counsel	25	24	25	25
Finance and Management Services	109	107	104	104
Human Resources	46	45	45	47
Information Technology (1)	-	-	-	-
General Services (2)	43	38	37	37
Planning and Development (3)	20	18	14	16
Housing and Community Redevelopment (3)	7	3	2	2
Police	697	689	687	720
Fire	460	454	453	459
Public Works	335	328	327	328
Engineering	30	29	29	34
Parks	107	106	106	106
Housing and Buildings	33	34	34	37
Downtown Waterfront Development (3)	11	5	5	5
Constituent Services	5	8	8	9
Inspector General	4	4	4	4
Veterans Services	-	2	2	3
Human Rights	3	3	3	5
Grants	38	38	36	38
Total	<u>2,013</u>	<u>1,973</u>	<u>1,958</u>	<u>2,017</u>

(1) Department of Information Technology was established as a separate department under Local Law 3-2013.

(2) General Services became a division of the Department of Public Works in 2008-09.

(3) Services provided and positions adopted under Downtown Waterfront Development and Housing and Community Redevelopment were eventually merged into the Department of Planning and Development.

Source: City of Yonkers Adopted Budget Books

2009	2010	2011	2012	2013	2014
10	11	11	11	11	11
28	28	27	27	27	27
25	25	23	23	25	25
103	104	92	95	100	93
47	45	40	39	41	22
-	-	-	-	-	37
-	-	-	-	-	-
16	18	15	16	14	15
2	2	1	-	-	-
720	720	661	685	686	689
459	458	419	446	460	460
363	354	302	334	334	339
34	32	28	28	27	26
106	106	98	98	101	106
37	37	34	31	32	32
5	-	-	-	-	-
9	7	4	5	6	8
4	4	3	2	2	2
3	3	3	4	5	5
5	4	-	-	2	1
32	32	32	27	24	35
2,008	1,990	1,793	1,871	1,897	1,933

City of Yonkers, New York

Operating Indicators by Function/Program Last Ten Fiscal Years

	2005	2006	2007	2008
GENERAL GOVERNMENT SUPPORT				
Building permits issued	1,382	1,454	1,252	1,418
Building inspections conducted	n/a	22,877	14,532	15,415
PUBLIC SAFETY				
Police				
Physical arrests	5,660	6,270	6,233	6,391
Parking violations	160,876	153,647	159,435	156,605
Fire				
Emergency responses	16,807	15,010	14,662	15,148
Fires extinguished	1,717	1,202	1,223	2,450
Inspections	2,712	2,601	2,424	4,600
CULTURE AND RECREATION				
Recreation				
Adult programs	22	22	35	56
Children's programs	15	15	40	46
Teen centers	17	17	17	7
Senior citizen's programs	16	16	30	26
Boys and girls club	12	12	12	12
Swim programs- adults	13	13	15	15
Swim programs - youths	31	31	35	44
Pre-school classes	10	10	11	11
Open gyms	3	3	3	-
Special events	50	50	50	50
Library				
Volumes in collections	756,567	712,918	749,098	702,449
Circulation	901,850	899,448	985,176	1,024,186
HOME AND COMMUNITY SERVICES				
Water				
Average daily consumption (millions of gallons)	28,164	27,700	27,700	27,662
Peak daily consumption (millions of gallons)	36,224	37,024	37,024	33,620
Refuse				
Refuse collected (tons per day)	451	560	566	402
Recyclables collected (tons per day)	257	630	639	220
Total refuse tons	115,805	111,000	111,042	104,599
Total recycling tons	76,905	76,700	76,763	57,251

Note: "N/A" indicates data not available.

Sources: Various City departments

2009	2010	2011	2012	2013	2014
1,344	1,303	1,371	1,598	1,630	1,641
14,293	16,822	15,557	13,306	14,024	14,119
5,827	6,374	6,100	6,131	6,502	5,752
161,489	153,631	217,404	147,570	148,979	169,485
14,242	14,949	14,949	14,701	15,035	15,537
1,168	1,613	1,613	1,490	1,599	1,384
552	1,970	1,970	3,045	6,235	6,235
56	56	56	99	99	56
46	46	46	94	94	153
7	7	7	6	6	8
26	26	26	35	35	72
12	12	12	12	12	11
15	15	15	58	58	48
44	44	44	238	238	243
10	10	10	39	39	40
3	3	3	2	3	2
50	50	50	60	180	180
737,571	753,503	769,435	650,295	678,846	678,846
881,130	855,798	868,285	920,250	895,792	786,191
28,000	29,670	29,550	27,037	26,730	26,090
36,096	39,200	39,425	37,795	35,110	33,709
409	370	395	367	346	335
226	171	199	201	267	228
106,340	96,147	102,700	91,581	90,076	87,048
58,760	44,482	51,740	50,110	69,490	59,349

City of Yonkers, New York

Capital Asset Statistics by Function/Program Last Ten Fiscal Years

	2005	2006	2007	2008
GENERAL GOVERNMENT SUPPORT				
Number of general government buildings	25	25	25	25
PUBLIC SAFETY				
Number of police stations	8	8	8	8
Number of fire stations	12	12	12	12
Patrol units	20	20	20	20
TRANSPORTATION				
Miles of streets	292	292	292	292
Number of street lights	26,000	26,000	26,000	26,000
Number of traffic signals	201	201	201	201
CULTURE AND RECREATION				
Number of community centers	4	4	6	6
Number of parks	76	76	76	76
Acres of parks	410	410	410	410
Playgrounds	53	53	53	53
Baseball/softball diamonds	57	57	57	57
Outdoor tennis courts	23	23	23	23
Soccer fields	30	30	27	27
Basketball courts	48	48	48	48
Parks ancillary buildings	18	18	18	18
Rifle range	1	1	1	1
Indoor pool	1	1	1	1
Skating center	1	1	1	1
Skate board park	-	-	-	-
Animal shelter	1	1	1	1
Nature trails	2	2	2	2
Greenhouses	2	2	2	2
Picnic areas	2	2	2	2
Libraries	3	3	3	3
HOME AND COMMUNITY SERVICES				
Miles of water mains	375	375	375	375
Fire hydrants	4,500	4,500	4,500	4,500
Miles of sanitary sewers	400	400	400	400

Sources: Various City departments

2009	2010	2011	2012	2013	2014
25	25	25	25	25	25
11	11	11	11	11	11
12	12	12	12	12	12
21	21	21	21	21	22
292	292	292	292	292	292
26,000	26,000	26,000	26,000	26,000	26,000
201	201	201	201	215	215
5	5	5	5	5	5
76	76	76	76	76	76
410	410	410	410	410	410
53	53	53	53	53	53
57	57	57	57	57	57
23	23	23	23	24	24
27	27	27	27	27	27
48	48	48	48	48	48
18	18	18	18	18	18
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
-	-	-	-	1	1
1	1	1	1	1	1
2	2	2	2	2	2
2	2	2	2	2	2
2	2	2	2	2	2
3	3	3	3	3	3
375	375	375	375	385	385
4,500	4,500	4,500	4,500	4,500	4,500
400	400	400	400	400	400

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FEDERAL AWARDS

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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditors' Report

**The Honorable Mayor and City Council
of the City of Yonkers, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Yonkers, New York ("City") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 28, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as findings 2014-001 to 2014-004 to be material weaknesses.

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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as findings 2014-005 to 2014-007 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as findings 2014-008 to 2014-010.

We noted certain other matters that we reported to the management of the City in a separate letter.

City's Response to Findings

The City's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

January 28, 2015

**Report on Compliance For Each Major Federal Program and on
Internal Control Over Compliance Required by OMB Circular A-133**

Independent Auditors' Report

**The Honorable Mayor and the City Council
of the City of Yonkers, New York**

Report on Compliance for Each Major Federal Program

We have audited the City of Yonkers, New York's ("City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2014. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Education Fund, the Education Special Aid Fund, the Education Capital Projects Fund, the School Lunch Fund and the Education Debt Service Fund, which received \$35,759,455 in federal awards which is not included in the schedule during the year ended June 30, 2014. Our audit, described below, did not include the operations of these funds because the A-133 compliance audit is being issued under separate cover by the Yonkers Public Schools.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

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Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-008 to 2014-010. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the non-compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express opinion on the response.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014-008 to 2014-010, that we consider to be significant deficiencies.

The City's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
January 28, 2015

City of Yonkers, New York

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>		
Direct Programs		
Community Development Block Grants	14.218	\$ 3,552,918
Emergency Solutions Grant Program	14.231	202,072
Home Investment Partnerships Program	14.239	<u>1,005,131</u>
		4,760,121
Indirect Program - Passed through the City of New York		
Housing Opportunities for Persons with AIDS	14.241	<u>279,087</u>
Total U.S. Department of Housing and Urban Development		<u>5,039,208</u>
<u>U.S. Department of Justice</u>		
Direct Programs		
<i>JAG Program Cluster</i>		
Edward Byrne Memorial Justice Assistance Grant	16.738	249,921
Edward Byrne Memorial Justice Assistance Grant/ Grants to Units of Local Government - ARRA (2)	16.804	<u>56,805</u>
Subtotal JAG Program Cluster		306,726
Project Safe Neighborhoods	16.609	21,884
Public Safety Partnership and Community Policing Grants	16.710	583,048
Paul Coverdell Forensic Sciences Improvement Grant	16.742	<u>28,623</u>
Total U.S. Department of Justice		<u>940,281</u>
<u>U.S. Department of Labor</u>		
Indirect Programs - Passed through New York State Department of Labor		
<i>Workforce Investment Act (WIA) Cluster</i>		
WIA - Adult Program	17.258	426,710
WIA - Youth Activities	17.259	446,409
WIA - Dislocated Workers Formula Grant	17.278	<u>391,294</u>
Subtotal WIA Cluster		1,264,413
Employment Service/Wagner-Peyser Funded Activities	17.207	37,418
WIA - National Emergency Grants	17.277	<u>391,592</u>
Total U.S. Department of Labor		<u>1,693,423</u>

(Continued)

City of Yonkers, New York

Schedule of Expenditures of Federal Awards (Concluded)
Year Ended June 30, 2014

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditures</u>
<u>U.S. Department of Health and Human Services</u>		
Indirect Programs - Passed through Westchester County		
<i>Aging Program Cluster</i>		
Aging - Title III, Part B Grants for Supportive Services and Senior Centers	93.044	\$ 139,168
Aging - Title III, Part C Nutrition Services	93.045	193,828
Subtotal Aging Program Cluster		332,996
National Family Caregiver Support, Title III, Part E	93.052	26,523
Total U.S. Department of Health and Human Services		359,519
<u>U.S Department of Homeland Security</u>		
Direct Programs		
Assistance to Firefighters Grant	97.044	489,121
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	1,591,672
Indirect Programs		
Passed through New York State Division of Homeland Security and Emergency Services		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	473,762
Hazard Mitigation Grant	97.039	5,453
Emergency Management Performance Grants	97.042	60,057
Passed through New York State Office of Homeland Security		
Citizens - Community Resilience Innovation Challenge	97.053	15,129
Homeland Security Grant Program	97.067	3,554,291
Metropolitan Medical Response System	97.071	763,297
Total U.S. Department of Homeland Security		6,952,782
Total Expenditures of Federal Awards		\$ 14,985,213

(1) Catalog of Federal Domestic Assistance Number

(2) American Recovery and Reinvestment Act

The accompanying notes are an integral part of this schedule.

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Yonkers, New York ("City") under programs of the federal government for the year ended June 30, 2014. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, which establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments.

The financial statements include \$35,759,455 of Federal aid that is attributable to the Yonkers City School District. The audit of compliance in accordance with OMB Circular A-133 will be issued separately by the School District.

Finding 2013-001: Taxes Receivable

Condition: There are no systematic procedures in place to ensure that timely and complete monthly reconciliations of tax receivable accounts are prepared and reviewed by supervisory personnel. There is a backlog of transactions not posted to the general ledger for several months. This also results in bank reconciliations containing significant reconciling transactions that are not posted for several months.

Current Status: This condition has been corrected.

Finding 2013-002: Supervisory Review and Approval of Tax Write-Offs

Condition: There is no formal procedure in place for the write-off of real property taxes. This results in taxes being written-off without supervisory or City Council authorization.

Current Status: This condition has been corrected.

Finding 2013-003: Water and Sewer Rents Receivable

Condition: The City implemented a new water and sewer billing system in the 2012/13 fiscal year. The conversion of the data from the old system to the new system was not properly verified by City personnel, leading to discrepancies in account balances carried forward and between the general ledger and the detail subsidiary records.

Current Status: This condition has been corrected.

Finding 2013-004: Matching of Federal Expenditures and Revenues

Condition: Expenditures of Federal awards and the related revenue should be recorded as such in the fiscal year that the expenditure is incurred. Revenues were not matched to expenditures incurred.

Current Status: This condition remained uncorrected. See similar finding 2014-001.

Finding 2013-005: Section 108 and HOME Loan Programs

Condition: There is no procedure in place to notify management of delinquent loan repayments so that management can establish proper allowances in the books and records. Several of these Section 108 loans made to businesses in the past are in arrears. The City has had to utilize its own resources available under its Community Development Block Grant to make the required payments. New HOME loans are not posted in the general ledger.

Current Status: This condition remained uncorrected. See similar finding 2014-002.

Finding 2013-006: Block Grant Fund

Condition: Receivables reflected in the books and records should be identifiable and collectible. A receivable balance of \$1.3 million has remained on the books for several years.

Current Status: This condition remained uncorrected. See similar finding 2014-003.

Finding 2013-007: Review of Employee Responsibilities

Condition: Employees duties should be clearly defined. Although an organizational chart exists in the Community Development Agency, employees do not have defined duties which leads to confusion as to who is accountable for particular areas or functions and to whom to report.

Current Status: This condition has been corrected.

Finding 2013-008: Cash

Condition: Bank account reconciliations should be performed on a monthly basis. Reconciling items, such as non-sufficient funds checks, should be posted back to the original account until successfully redeposited. All deposits should be posted immediately to the general ledger. Bank reconciliations for the City's larger accounts are not done in a timely manner on a monthly basis. Non-sufficient funds checks are carried on the bank reconciliation from month to month without adjusting the original account that was relieved. Actual bank deposits are not posted to the general ledger in a timely manner.

Current Status: This condition remained uncorrected. See similar finding 2014-004.

Finding 2013-009: Budget Amendments and Transfers

Condition: General Municipal Law provides that no expenditure be made unless an amount has been appropriated for a particular purpose and is available. Our audit disclosed several functional expenditure categories exceeded their budgetary authorizations.

Current Status: This condition remained uncorrected. See similar finding 2014-005.

Finding 2013-010: Grant Fund

Condition: The Grant Fund is tracked on a cash basis in the accounting system while an excel spreadsheet is utilized to record accruals and deferrals. Neither finance nor departmental personnel track the status of these accruals and deferrals. Certain receivables and deferrals remain on the books and are never adjusted.

Current Status: This condition remained uncorrected. See similar finding 2014-006.

Finding 2013-011: CFDA 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters) Timekeeping Oversight and Administration

Condition: Disaster reimbursement is based on verification of completed work and actual eligible cost. Therefore, proper documentation of costs and other records is an absolute requirement. It is not enough to complete the disaster work; the work must also be fully and accurately documented. The applicant must document costs related to the work performed. The City's underlying time sheet documentation, in some cases, lacked overtime authorization and other evidence of completeness.

Current Status: This condition was partially corrected and reported as a control deficiency in the current year.

Finding 2013-012: CFDA 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters) Duplicated Equipment Usage Charges – Questioned Costs

Condition: The A-102 Common Rule and OMB Circular A-110 (2 CFR Part 215) require that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Duplicate entries were noted on the FEMA Force Account Labor and Equipment Records.

Current Status: This condition has been corrected.

Finding 2013-013: Required Content for the Schedule of Expenditures of Federal Awards and Reporting Correct Catalogue of Federal Domestic Assistance Numbers

Condition: Circular A-133 states that the auditee must prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements. At the commencement of our field work, a SEFA was not provided by the City.

Current Status: This condition remained uncorrected. See similar finding 2014-008.

Finding 2013-014: CFDA 81.128 Subrecipient Monitoring – Energy Efficiency and Conservation Block Grant Program and Subrecipient Versus Vendor Status

Condition: The City received a grant directly from the Department of Energy to replace windows in City Hall. The City entered into an agreement with the New York Power Authority (NYPA), which was considered to be a vendor, to administer the grant. NYPA in turn sub-contracted the work to another vendor to perform the actual installation. An agreement existed between NYPA and the subcontractor that detailed program compliance, but we were not able to evaluate said compliance by reviewing either the City's or NYPA's records.

Current Status: This condition for this specific program has been corrected. However, a similar finding for different programs exists in the current year. See finding 2014-009.

City of Yonkers, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued Unmodified

Internal control over financial reporting:

- Material weakness(es) identified X Yes No
- Significant deficiency(ies) identified? X Yes None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? X Yes None reported

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? X Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants
14.239	HOME Investment Partnerships Program
14.241	Housing Opportunities For Persons With Aids
	Workforce Investment Act (WIA) Cluster
17.258	WIA Adult Program
17.259	WIA Youth Activities
17.278	WIA Dislocated Workers Formula Grant
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
97.044	Assistance to Firefighters Grant
97.083	Staffing for Adequate Fire and Emergency Response (SAFER)

Dollar threshold used to distinguish between Type A and Type B programs: \$449,556

Auditee qualified as low-risk auditee? Yes X No

Section II - Financial Statement Findings

Finding 2014-001: Matching of Federal Expenditures and Revenues

Criteria: Expenditures of Federal awards and the related revenue should be recorded as such in the fiscal year that the expenditure is incurred.

Condition: Revenues were not matched to expenditures incurred.

Cause: Lack of coordination between the various City departments and the Finance Department.

Effect or Potential Effect: Lack of matching of revenues and expenditures in the same fiscal year and failure to report these expenditures in the Schedule of Expenditures of Federal Awards may result in audit adjustments.

Recommendation: Institute policies and procedures that ensure that all departments notify the Finance Department of all federally reimbursable expenditures. This will allow finance personnel to record and track the status of unpaid amounts.

Management's Response: See corrective action plan.

Finding 2014-002: Section 108 and HOME Loan Programs

Criteria: Procedures must be in place to notify management of delinquent loan repayments so that management can establish proper allowances in the books and records.

Condition: Several Section 108 loans made to businesses in the past are in arrears. The City has had to utilize its own resources available under its Community Development Block Grant ("CDBG") Program to make the required payments. New HOME loans are not posted in the general ledger. Management is not reconciling the repayment of the HOME loans to the amortization schedules. Management only records revenues from the loans based on deposits reflected in the bank statement without regard to the breakdown between principal and interest.

Cause: There is a lack of communication between the Community Development Agency and the Finance Department.

Effect or Potential Effect: The City uses its resources under the CDBG Program to pay these loans balances, which otherwise would have been utilized for community development purposes throughout the City. If CDBG funds are reduced or eliminated in the future, the City's General Fund would be responsible for satisfying this obligation. Without recording all of the outstanding loan balances in the general ledger and updating the activity, the City has no assurance that all balances are being reported and collected.

Recommendation: The City should actively pursue collection of all the loans utilizing all legal means it can. The City should establish a reserve against these loan balances in its books and records. Better coordination between the City's programmatic personnel and the Finance Department to ensure all loans are properly recorded and tracked.

Management's Response: See corrective action plan.

Section II - Financial Statement Findings (Continued)

Finding 2014-003: Block Grant Fund

Criteria: Receivables reflected in the books and records should be identifiable and collectible.

Condition: A receivable balance of \$1.3 million has remained on the books for several years.

Cause: Account balance set-up several years ago but not matched to see if a receipt should have been applied to the balance.

Effect or Potential Effect: The amount will have to be written-off and covered by the General Fund or balances in the Section 108 Fund, if available.

Recommendation: The City should investigate the history of this balance and recommend to the Administration and City Council that the amount should be written-off and appropriately funded.

Management's Response: See corrective action plan.

Finding 2014-004: Cash

Criteria: Bank account reconciliations should be performed on a monthly basis. Reconciling items, such as non-sufficient funds checks, should be posted back to the original account until successfully redeposited. All deposits should be posted immediately to the general ledger.

Condition: Bank reconciliations for the City's larger accounts are not done in a timely manner on a monthly basis. Non-sufficient funds checks are carried on the bank reconciliation from month to month without adjusting the original account that was relieved. Actual bank deposits are not posted to the general ledger in a timely manner.

Cause: Adapting to the new accounting software system.

Effect or Potential Effect: Revenues can be understated for the deposits not booked. Receivables could be understated for non-sufficient funds checks. The general ledger balances could be incorrect until the bank reconciliations are completed.

Recommendation: Procedures should be modified to ensure bank reconciliations are done on a monthly basis and that reconciling items are properly cleared.

Management's Response: See corrective action plan.

Finding 2014-005: Budget Amendments and Transfers

Criteria: General Municipal Law provides that no expenditure be made unless an amount has been appropriated for a particular purpose and is available.

Condition: Our audit disclosed several functional expenditure categories exceeded their budgetary authorizations.

Section II - Financial Statement Findings (Continued)

Finding 2014-005: Budget Amendments and Transfers (Continued)

Cause: The Administration did not seek budget transfer approval from the City Council or the New York State Comptroller's Office as fiscal agent for the City.

Effect or Potential Effect: The City is in violation of General Municipal Law.

Recommendation: The Administration should seek City Council and New York State Comptroller's Office budgetary transfer authorization before incurring any obligation.

Management's Response: See corrective action plan.

Finding 2014-006: Grant Fund

Criteria: The Grant Fund is tracked on a cash basis in the accounting system while an excel spreadsheet is utilized to record accruals and deferrals. Neither finance nor departmental personnel track the status of these accruals and deferrals.

Condition: Certain receivables and deferrals remain on the books and are never adjusted.

Cause: Since the activities are tracked off-line once a year, City personnel are not aware these balances exist.

Effect or Potential Effect: Amounts will have to be written-off and the General Fund will have to absorb the charges, often without City Council approval.

Recommendation: These transactions should be recorded within the general ledger and not off-line. This would allow departmental personnel to monitor the activity to ensure that receivables and deferrals are properly monitored.

Management's Response: See corrective action plan.

Finding 2014-007: Accrued Liabilities

Criteria: Accrued liabilities represent obligations for goods and services provided to the City for which an invoice had not yet been received and so could not be recorded in accounts payable.

Condition: The ORACLE system reflected an automatic entry for accrued liabilities at the end of each month that did not represent valid obligations at year end.

Cause: Accruals were incorrectly generated by individual department in the City and were not reviewed by the Finance Department for validity and accuracy.

Effect or Potential Effect: It was necessary to make several significant adjustment to reduce accrued liabilities for the invalid amounts so as not to overstate expenditures.

Recommendation: The City should review its method for making automatic accruals and institute a policy for reviewing the entries on a monthly basis to ensure validity.

Section III - Federal Award Findings and Questioned Costs

Finding 2014-008: Required Content for the Schedule of Expenditures of Federal Awards and Reporting Correct Catalogue of Federal Domestic Assistance Numbers

Criteria: Circular A-133 states that the auditee must prepare a Schedule of Expenditures of Federal Awards ("SEFA") for the period covered by the auditee's financial statements. At a minimum, the SEFA should include the following:

- List of individual federal programs by federal agency, including cluster programs.
- For federal awards received as a sub-recipient include the name of the pass-through entity.
- Provide the total federal awards expended for each program and the identifying CFDA number.
- Include notes that describe the significant accounting policies used to prepare the schedule.

Condition: At the commencement of our field work, a SEFA was not provided by the City.

Cause: The City does not appear to have a method or system in place to compile a complete and accurate SEFA.

Effect or Potential Effect: The auditors' opinion on the SEFA may be significantly impacted when required information is not included in the schedule. There could be the perception that the City may not be in compliance with Circular A-133 requirements to manage its federal awards in compliance with laws, regulations and the provisions of contracts or grant agreements. In addition, the A-133 report may not be filed by the due date which is the earlier of 30 days after the receipt of the auditors' report or nine months after the end of the audit period.

Recommendation: The City should prepare a SEFA for the period under audit. The City should ensure there is effective internal control over compliance for federal programs.

Management's Response: See corrective action plan

Finding 2014-009: CFDA 14.218 Community Development Block Grant, CFDA 14.239 HOME Investment Partnerships Program, CFDA 17.258/259/278 Workforce Investment Act Cluster - Pass-Through Entity Responsibilities and Subrecipient Monitoring

Criteria: The auditee, as a pass-through entity, has many responsibilities that are similar to those of federal awarding agencies. The Single Audit Act requires that pass-through entities monitor subrecipients' use of federal awards.

Condition: The City had limited, and in some cases, no evidence of the following monitoring procedures: Site visits, timely review of financial and performance reports submitted by the subrecipients, regular contact with subrecipients and appropriate inquiries concerning program activities. Other responsibilities of a pass-through entity include, but are not limited to, 1) determining that awards are made only to eligible subrecipients, 2) obtaining a Dun and Bradstreet Data Universal Numbering System ("DUNS") number as part of its subaward application, 3) informing the subrecipients of the applicable Catalogue of Federal Domestic Assistance Number ("CFDA") and 4) if applicable, keeping the subrecipients' OMB A-133 reports on file for three years from the date of the receipt. If the subrecipient is not required to submit an A-133 reporting package, the subrecipient should provide written notification to the pass-through entity.

Section III - Federal Award Findings and Questioned Costs (Continued)

Finding 2014-009: CFDA 14.218 Community Development Block Grant, CFDA 14.239 HOME Investment Partnerships Program, CFDA 17.258/259/278 Workforce Investment Act Cluster - Pass-Through Entity Responsibilities and Subrecipient Monitoring (Continued)

Cause: The City did not properly monitor and document the activities of subrecipients.

Effect or Potential Effect: The subrecipients may not expend awards in accordance with applicable laws, regulations and provisions of contracts or grant agreements.

Recommendation: Since the City is responsible for federal awards administered by its subrecipients, the City needs to strengthen its subrecipient monitoring process and determine what additional monitoring procedures may be necessary to ensure subrecipient compliance.

Finding 2014-010 CFDA 17.258/259/278 – Workforce Investment Act Cluster and Identification of Fiscal Agent

Criteria: The Local Workforce Investment Board is appointed by the chief elected official in each local area in accordance with State criteria established under WIA laws and regulations and certified by the Governor every 2 years.

Condition: A resolution by the City of Yonkers Industrial Development Agency ("YIDA") designates the City of Yonkers as the fiscal agent. However, a memorandum of understanding between the local Yonkers Workforce Investment Board ("YWIB") and the City of Yonkers identifies the Mayor as the fiscal agent for the YWIB.

Cause: Lack of communication among the various agencies.

Effect or Potential Effect: The City may not be in compliance with WIA laws and regulations for governance.

Recommendation: We understand from our correspondence with the New York State Department of Labor ("NYSDOL") that the City is in the process of correcting this situation. We encourage the City to resolve the NYSDOL finding as soon as possible to comply with WIA laws and regulations.